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RECORDED

1947 DEC 12 10 30 AM

INTERSTATE COMMERCE COMMISSION

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## **First Mortgage**

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**JACKSONVILLE TERMINAL COMPANY**

**TO**

**UNITED STATES TRUST COMPANY OF NEW YORK**

*Trustee*

**AND**

**FRANK J. WIDEMAN**

*Co-Trustee*

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**DATED DECEMBER 1, 1947**

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**Securing Not to Exceed \$5,000,000 First Mortgage Bonds.**

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RECORDED

DEC 23 9 12 AM '47

I.C.C.  
FEE OPERATION L.R.

Certificate of True Copy

I, Elmer Witting, certify that I am Vice President of the United States Trust Company of New York, trustee under the foregoing instrument; that I have compared said foregoing instrument with the original instrument, and that said foregoing instrument is a true and correct copy of said original instrument in all respects.



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Dated: December 20, 1968

THIS INDENTURE, made this first day of December, 1947, by and between JACKSONVILLE TERMINAL COMPANY, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company"), party of the first part, and the UNITED STATES TRUST COMPANY OF NEW YORK, a corporation of the State of New York, and FRANK J. WIDEMAN, a resident of the State of Florida (hereinafter together called the "Trustees"; the said United States Trust Company being hereinafter called the "Trustee", and the said Frank J. Wideman being hereinafter called the "Co-Trustee"), parties of the second part,

WITNESSETH, that

WHEREAS, the Company owns and operates passenger and freight terminal property and facilities in the City of Jacksonville, Florida, which are used by the passenger and freight trains of Atlantic Coast Line Railroad Company, Scott M. Loftin and J. W. Martin as Trustees of the Properties of Florida East Coast Railway Company, Seaboard Air Line Railroad Company, Southern Railway Company and Georgia Southern and Florida Railway Company; and

WHEREAS, the Company has heretofore issued its bonds known as its First and General Mortgage Fifty-Year Five Per Cent. Gold Bonds due July 1, 1967, secured by its First and General Mortgage dated June 1, 1917, to United States Trust Company of New York as Trustee, of which bonds \$100,000 aggregate principal amount have been outstanding immediately prior to the execution and delivery hereof, and has heretofore issued its bonds known as its Refunding and Extension Mortgage Bonds due July 1, 1967, secured by its Refunding and Extension Mortgage dated October 1, 1921, as supplemented, to United States Trust Company of New York as Trustee, of which bonds \$2,400,000 principal amount of Series A Five Per Cent Bonds, \$1,100,000 principal

amount of Series B Six Per Cent Bonds and \$400,000 of Series C Four and One-half Per Cent Bonds have been outstanding immediately prior to the execution and delivery hereof; and

WHEREAS, the Company, in pursuance of resolutions duly passed by its Board of Directors and its stockholders, at meetings of said directors and stockholders duly called and held for the purpose, has duly authorized, for its corporate purposes, including the redemption of its bonds heretofore outstanding as hereinabove stated, an issue of bonds (both coupon and registered) to be known as its First Mortgage Bonds (hereinafter called the "bonds") to be dated December 1, 1947 (except as hereinafter provided), and, to secure the payment of the bonds, has duly authorized the creation of a first mortgage in the form of this indenture upon the property hereinafter described; and

WHEREAS, the proceeds of the sale of certain of the bonds (together with additional funds to be supplied by the Company) are to be used to redeem on January 1, 1948 the bonds heretofore outstanding as above mentioned and the lien heretofore securing said bonds heretofore outstanding as above mentioned is to be afforded to the bonds to be issued under this indenture as herein provided; and

WHEREAS, the form of said proposed First Mortgage submitted at the said respective meetings of the Board of Directors and stockholders of the Company was substantially of the form and tenor of this indenture, and such resolutions of the Board of Directors of the Company and the stockholders, authorized the execution of this indenture in behalf of, in the corporate name of, and under the corporate seal of the Company, and the execution and issuance of the bonds of the Company, at the times, in the manner, upon the terms and conditions, and for the purposes set forth in this indenture; and



WHEREAS, the bonds are to be issuable in series and in the case of each particular series, other than Series A, the designation of the series, the form or forms, date or dates, date of maturity, rate of interest, interest payment dates, denominations, redemption provisions, if any, and sinking fund provisions, if any, of the bonds of such series, and any limitation upon the aggregate principal amount of the bonds of such series, as well as such additional provisions as are required or permitted by this Mortgage, are to be determined by the Board of Directors of the Company at the time of the authorization of such series and specified in an indenture supplemental hereto as hereinafter provided; and

WHEREAS, the text of the coupon and registered bonds of Series A and of the coupons to be attached to coupon bonds of Series A, and of the Trustee's Certificate to be executed on all of the bonds, shall be, respectively, substantially as follows, with such appropriate insertions, omissions, substitutions and variations as are provided for in this Mortgage:

[FORM OF COUPON BOND]

JACKSONVILLE TERMINAL COMPANY

No. \$1,000.

FIRST MORTGAGE 3 $\frac{3}{8}$ % BOND, SERIES A

due December 1, 1977

Jacksonville Terminal Company, a corporation incorporated under the laws of the State of Florida (hereinafter called the Company), for value received, hereby promises to pay to the bearer, or, if registered, to the registered owner hereof, on the first day of December 1977 (unless this bond shall have been called for earlier redemption and payment thereof duly provided for), One Thousand Dollars (\$1,000.) in such coin or currency

of the United States of America as at the time of payment is legal tender for public and private debts, and to pay interest on said principal amount from the date hereof until the principal amount hereof shall have been paid, at the rate of three and three-eighths per centum ( $3\frac{3}{8}\%$ ) per annum, in like coin or currency, semi-annually, on the first day of the month of June and on the first day of the month of December of each and every year, but where interest payments are represented by coupons only upon presentation and surrender of the respective interest coupons hereto annexed as they shall severally mature. Both principal and interest are payable at the office or agency of the Company in the Borough of Manhattan, City of New York.

This bond is one of the bonds of Series A of an issue of coupon and registered bonds known as the Company's "First Mortgage Bonds", the authorized total issue of which is limited to \$5,000,000 at any one time outstanding, the payment of the principal of and interest on all such bonds being equally secured, without preference, priority or distinction of any one over another, by a mortgage and deed of trust to the United States Trust Company of New York, as Trustee, and Frank J. Wideman, as Co-Trustee, bearing date the first day of December, 1947, of the property mentioned in said mortgage and deed of trust, said mortgage and deed of trust being hereinafter called the Mortgage, to which Mortgage and any and all supplements thereto reference is hereby made for a description of the property and franchises mortgaged, conveyed or assigned to said Trustees, the nature and extent of the security of the bonds issued thereunder and the respective rights and limitations of rights thereunder of the holders of said bonds and of the Company and of the rights, duties and immunities of the Trustees thereunder.

In case an event of default, as defined in the Mortgage, shall occur, the principal of the bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Mortgage.

As more particularly provided in the Mortgage, the bonds of Series A are subject to redemption (in addition to redemption for sinking fund as hereinafter provided) at the option of the Company, as a whole at any time, or in part from time to time, by prior notice given by publication in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, once a week for four successive weeks on any business day or days of the week, the first publication to be not less than 45 days prior to the designated redemption date, at  $103\frac{3}{8}\%$  of the principal amount thereof if redeemed on or before December 1, 1957; at  $102\frac{1}{2}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at  $101\frac{5}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at  $100\frac{7}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date.

As more fully provided in the Mortgage, the bonds of Series A are entitled to the benefit of a sinking fund, and for such sinking fund bonds of Series A may be called for redemption on any December 1 interest payment date, commencing with December 1, 1948, at  $101\frac{3}{4}\%$  of the principal amount thereof if redeemed on or before December 1, 1957; at 101% of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at  $100\frac{5}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at  $100\frac{3}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date. In each such case, notice of redemption shall be given as herein-

above referred to for the redemption of bonds of Series A at the option of the Company.

As more particularly provided in the Mortgage, the Mortgage may be amended by the Company and the Trustees with the approval of holders of 66⅔% in principal amount of the bonds outstanding affected by the proposed amendment, given at a bondholders' meeting called for the purpose; *provided, however, that no such amendment shall, without the consent of the holder of each bond affected thereby (a) alter or impair the obligation of the Company to pay the principal of and interest on every bond at the time and place and at the rate prescribed therein, or (b) permit the creation by the Company of any lien on any property subject to the lien of the Mortgage prior to or equal with the lien of the Mortgage, or (c) reduce the percentage required to consent as above provided.*

This bond shall pass by delivery unless it shall have been registered as to principal in the name of the owner at the office or agency of the Company in the Borough of Manhattan, City and State of New York, and such registration shall have been noted hereon. After such registration no transfer shall be valid unless made by the registered owner in person, or by attorney, duly authorized, and similarly noted hereon; but transfer to bearer may thereafter be made, and thereupon transferability by delivery shall be restored; but this bond may again and from time to time be registered or transferred to bearer, as before. Such registration, however, shall not affect the negotiability of the coupons, title to which shall continue to be transferable by delivery. No charge shall be made for any such registration, transfer or discharge from registration of this bond. The holder hereof may surrender for cancellation this bond, with all unmatured coupons thereof (and all matured coupons thereof, if any, not theretofore or then being paid), in exchange for a registered bond without coupons of the same series and like principal amount, bearing interest

from the last preceding interest payment date to which interest shall then have been paid on the bonds of this series, upon payment, if the Company shall so require, of the charges provided for in the Mortgage, and any registered bond without coupons of Series A, in like manner and upon payment, if required, of the charges provided for in said Mortgage, may in turn be exchanged for a coupon bond or bonds of the same series and like principal amount, bearing all interest coupons maturing subsequent to the date to which interest shall then have been paid on the bonds of this series, all as provided in the Mortgage, and upon payment, if the Company shall so require, of the charges provided for therein. The bonds to be issued in effecting such exchanges shall be of the denomination of \$1,000 when coupon bonds are issuable, and of the denomination of \$1,000 or any multiple of \$1,000 when registered bonds without coupons are issuable, but the aggregate face or par value, and the amount of the accruing unmatured interest thereon, of the bond or bonds surrendered and of those issued in exchange or substitution therefor, shall in all cases be the same.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this bond, or of any claim based hereon or in respect hereof, or of the Mortgage or any indenture supplemental thereto, against any stockholder, officer or director, past, present or future, of the Company, or of any company whose guaranty is endorsed on this bond, or of any successor corporation, all such recourse being, by the acceptance hereof, expressly waived by the holder of this bond, provided, however, that nothing herein or in the Mortgage contained shall impair any liability or claim based upon an express written guaranty. This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the Trustee endorsed hereon.

IN WITNESS WHEREOF, the said Jacksonville Terminal Company has caused this bond to be signed by its Presi-

dent or a Vice President, and its corporate seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by its Secretary or an Assistant Secretary and the coupons for interest hereto attached to be authenticated by the facsimile signature of its Treasurer, as of the first day of December, 1947.

JACKSONVILLE TERMINAL COMPANY,

By

President.

Attest:

Secretary.

[FORM OF COUPON FOR COUPON BONDS]

No.

\$

On the first day of \_\_\_\_\_, 19\_\_\_\_, Jacksonville Terminal Company will, unless the bond hereinafter mentioned shall have been called for previous redemption and payment duly provided therefor, on surrender hereof, pay to bearer, at the office or agency of the Company in the Borough of Manhattan, City of New York,

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, being six months' interest then payable on its First Mortgage 3 $\frac{3}{8}$ % Bond, Series A, due December 1, 1977, No. \_\_\_\_\_.

Treasurer.

(June 1 coupons being for \$16.88 and December 1 coupons being for \$16.87.)

## [FORM OF REGISTERED BOND WITHOUT COUPONS]

No. \$0000.

## JACKSONVILLE TERMINAL COMPANY

FIRST MORTGAGE 3 $\frac{3}{8}$ % BOND, SERIES A

Due December 1, 1977

JACKSONVILLE TERMINAL COMPANY, a corporation incorporated under the laws of the State of Florida (hereinafter called the Company), for value received, hereby promises to pay to

or registered assigns, on the first day of December, 1977 (unless this bond shall have been called for earlier redemption and payment thereof duly provided for),

Dollars

(\$ ) in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay interest on said principal amount from the last preceding interest payment date to which interest shall then have been paid on bonds of this series (unless the date of this bond is an interest payment date to which interest is being paid and in that case from the date hereof, or unless the date hereof be prior to June 1, 1948 and in that case from December 1, 1947) until the principal amount hereof shall be paid, at the rate of three and three-eighths per centum (3 $\frac{3}{8}$ %) per annum, in like coin or currency, semi-annually, on the first day of the month of June and on the first day of the month of December of each and every year. Both principal and interest are payable at the office or agency of the Company in the Borough of Manhattan, City of New York.

This bond is one of the bonds of Series A of an issue of coupon and registered bonds known as the Company's "First Mortgage Bonds", the authorized total issue of which is limited to \$5,000,000 at any one time outstanding, the payment of the principal of and interest on all such bonds being equally secured, without preference, priority or distinction of any one over another, by a

mortgage and deed of trust to the United States Trust Company of New York, as Trustee, and Frank J. Wideman, as Co-Trustee, bearing date the first day of December, 1947, of the property mentioned in said mortgage and deed of trust, said mortgage and deed of trust being hereinafter called the Mortgage, to which Mortgage and any and all supplements thereto reference is hereby made for a description of the property and franchises mortgaged, conveyed or assigned to said Trustees, the nature and extent of the security of the bonds issued thereunder and the respective rights and limitations of rights thereunder of the holders of said bonds and of the Company and of the rights, duties and immunities of the Trustees thereunder.

In case an event of default, as defined in the Mortgage, shall occur, the principal of the bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Mortgage.

As more particularly provided in the Mortgage, the bonds of Series A are subject to redemption (in addition to redemption for sinking fund as hereinafter provided) at the option of the Company, as a whole at any time, or in part from time to time, by prior notice given by publication in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, once a week for four successive weeks on any business day or days of the week, the first publication to be not less than 45 days prior to the designated redemption date, at  $103\frac{3}{8}\%$  of the principal amount thereof if redeemed on or before December 1, 1957; at  $102\frac{1}{2}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at  $101\frac{5}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at  $100\frac{7}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date.



As more fully provided in the Mortgage, the bonds of Series A are entitled to the benefit of a sinking fund, and for such sinking fund bonds of Series A may be called for redemption on any December 1 interest payment date, commencing with December 1, 1948, at  $101\frac{3}{8}\%$  of the principal amount thereof if redeemed on or before December 1, 1957; at  $101\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at  $100\frac{5}{8}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at  $100\frac{3}{4}\%$  of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date. In each such case, notice of redemption shall be given as hereinabove referred to for the redemption of bonds of Series A at the option of the Company.

As more particularly provided in the Mortgage, the Mortgage may be amended by the Company and the Trustees with the approval of holders of  $66\frac{2}{3}\%$  in principal amount of the bonds outstanding affected by the proposed amendment, given at a bondholders' meeting called for the purpose; *provided, however*, that no such amendment shall, without the consent of the holder of each bond affected thereby (a) alter or impair the obligation of the Company to pay the principal of and interest on every bond at the time and place and at the rate prescribed therein, or (b) permit the creation by the Company of any lien on any property subject to the lien of the Mortgage prior to or equal with the lien of the Mortgage, or (c) reduce the percentage required to consent as above provided.

Registered bonds without coupons of Series A are transferable by the registered owner or owners thereof in person or by attorney, duly authorized, only on the books of the Company, at its office or agency in the Borough of Manhattan, City and State of New York, and when so transferred a new registered bond without cou-

pons of the same series and like principal amount will be issued to the transferee in exchange therefor upon payment, if the Company shall so require, of the charges provided for in the Mortgage. The coupon bonds of Series A are issuable in the denomination of \$1,000 and the registered bonds without coupons in the denominations of \$1,000 or any multiple of \$1,000. Any such registered bond without coupons may be surrendered for exchange for other registered bonds without coupons of the same series of authorized denominations for the same aggregate principal amount as the bond so surrendered, or for a coupon bond or bonds of the same series for the same aggregate principal amount, bearing all interest coupons maturing subsequent to the date to which interest shall then have been paid on the bonds of this series, and any coupon bond or bonds with all the unmatured coupons thereof may in turn be exchanged for a registered bond or bonds without coupons of the same series for the same aggregate principal amount bearing interest from the last preceding interest payment date to which interest shall then have been paid on bonds of this series, all as provided in the Mortgage, and upon payment, if the Company shall so require, of the charges provided for therein.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this bond, or of any claim based hereon or in respect hereof, or of the Mortgage or any indenture supplemental thereto, against any stockholder, officer or director, past, present or future, of the Company, or of any company whose guaranty is endorsed on this bond, or of any successor corporation, all such recourse being, by the acceptance hereof, expressly waived by the holder of this bond, provided, however, that nothing herein or in the Mortgage contained shall impair any liability or claim based upon an express written guaranty. This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the Trustee endorsed hereon.

IN WITNESS WHEREOF, the said Jacksonville Terminal Company has caused this bond to be signed by its President or a Vice President, and its corporate seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by its Secretary or an Assistant Secretary, this                      day of                      ,                      .

JACKSONVILLE TERMINAL COMPANY,

By

President.

Attest:

Secretary.

[FORM OF TRUSTEE'S CERTIFICATE FOR ALL COUPON AND REGISTERED BONDS]

It is hereby certified that this bond is one of the bonds, of the series therein referred to, described in the within mentioned Mortgage.

UNITED STATES TRUST COMPANY OF  
New York, Trustee,

By

WHEREAS, pursuant to an agreement bearing even date herewith, executed and delivered between the Company, the Railroad Companies below named and Georgia Southern and Florida Railway Company, and the Trustees, it is contemplated that on each of the bonds of Series A there is to be endorsed also a guaranty of the prompt payment of the principal thereof and of the interest thereon and of the payment when due of all moneys re-

quired to be paid into the sinking fund for bonds of Series A hereinafter referred to, as said amounts respectively accrue and become due, by Atlantic Coast Line Railroad Company, Scott M. Loftin and John W. Martin; as Trustees of the Properties of Florida East Coast Railway Company, Seaboard Air Line Railroad Company and Southern Railway Company; said guaranty to be substantially of the following tenor, viz:

[FORM OF GUARANTY]

FOR VALUE RECEIVED, Atlantic Coast Line Railroad Company, Scott M. Loftin and John W. Martin, as Trustees of the Properties of Florida East Coast Railway Company, but not individually, Seaboard Air Line Railroad Company, and Southern Railway Company, by due authority (obtained as to said Trustees by order entered, respectively, in the Causes in which said Trustees have been appointed) hereby jointly and severally unconditionally guarantee to the holder of the within bond the due and punctual payment of the principal thereof and of the interest thereon; and the payment when due of all moneys required to be paid into the Sinking Fund referred to in the within bond; and in case of the failure of the Jacksonville Terminal Company punctually to pay the same, do hereby jointly and severally agree punctually to make such payments. Such guaranty of said Trustees is made pursuant to and is subject to the provisions of an agreement dated as of December 1, 1947 between Jacksonville Terminal Company, Atlantic Coast Line Railroad Company, said Trustees, Seaboard Air Line Railroad Company, Southern Railway Company, Georgia Southern and Florida Railway Company and United States Trust Company of New York and Frank J. Wideman, as Trustees under the First Mortgage

dated December 1, 1947 of Jacksonville Terminal Company.

IN WITNESS WHEREOF, the said Companies and Trustees have duly executed this guaranty.

ATLANTIC COAST LINE RAILROAD COMPANY,

By.....  
Vice President

SCOTT M. LOFTIN and JOHN W. MARTIN,  
As Trustees of the Properties of  
Florida East Coast Railway Company,

By.....

SEABOARD AIR LINE RAILROAD COMPANY,

By.....  
Vice President

SOUTHERN RAILWAY COMPANY,

By.....  
Vice President.

and

WHEREAS, all acts and things prescribed by law and by the articles of incorporation and by-laws of the Com-

pany necessary to make the bonds when executed by the Company and authenticated by the Trustee the valid, binding and legal obligations of the Company, and to constitute these presents a valid and binding mortgage and deed of trust for the purposes herein expressed, have been duly performed and complied with, and the Company has executed this indenture and proposes to issue and dispose of bonds hereby secured in the exercise of legal right and power in it vested;

Now, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the premises, and of the purchase and acceptance of the bonds by the holders thereof, and of the sum of One Dollar (\$1.00) to it duly paid by the Trustees at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on all the bonds at any time issued and outstanding under this indenture according to their terms and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which the bonds shall be secured, the Company, party of the first part hereto, has executed and delivered these presents, and has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, mortgaged, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, mortgage, transfer and set over unto the Trustees, parties of the second part, their successors and assigns forever, all of the Company's right, title and interest, now owned or hereafter acquired in the following property:

(a) All those tracts, pieces and parcels of land situate, lying and being in the City of Jacksonville, County of Duval, and State of Florida, more particularly described as follows:

## TRACT No. 1

Beginning at a point in the Northwestern line of Enterprise Street, (formerly the Jacksonville and Alligator Plank Road) which point is distant 664.2 feet Southwesterly from the centre line of Acorn Street, as measured along the Northwestern line of Enterprise Street; thence North 59 degrees and 15 minutes West, 1,085 feet; thence North 46 degrees 22 minutes East, 29 feet; thence North 55 degrees 13 minutes West, 374.8 feet; thence South 57 degrees .07 minutes West, 14.4 feet; thence North 48 degrees 30 minutes West 515.4 feet to the West boundary line of the Jacksonville Terminal Company's property; thence along the West boundary line of the Jacksonville Terminal Company's property South 41 degrees 30 minutes West, 96 feet more or less, to a point where the North boundary line of the Atlantic Coast Line Railroad, 30 foot strip right-of-way, intersects the extreme Western boundary line of the property of the Jacksonville Terminal Company; thence South 54 degrees 36 minutes East along the North boundary line of said Atlantic Coast Line Railroad, 30 foot strip, for a distance of 1,304.7 feet to a point of curve; thence in a Southeasterly direction by a curve to the right, with a radius of 955.4 feet a distance 143.3 feet; thence tangent to said curve South 46 degrees .00 minutes, East, a distance of 348 feet, more or less, to the Northwestern line of Enterprise Street; thence in a Northeasterly direction along the Northwesterly line of Enterprise Street 255 feet, more or less, to point of beginning, containing 3.97 acres, more or less.

## TRACT No. 2

Beginning at a point in the Northwestern line of Enterprise Street, (formerly the Jacksonville and Alligator Plank Road) which point is distant 955 feet, more or less, Southwest from the centre line of Acorn Street, as measured along the Northwest line of Enterprise Street, which point is the intersection of the Northwest line of Enterprise Street and the South line of the Atlantic Coast Line Railroad, 30 foot strip right-of-way; thence North 46 degrees 00 minutes West along the South line of the Atlantic Coast Line Railroad, 30 foot strip right-of-way, for a distance of 327 feet, more or less; thence in a Northwesterly direction by a curve to the left, with a

radius of 925.4 feet for a distance of 138.8 feet; thence tangent to said curve North 54 degrees 36 minutes West, parallel to and distant 30 feet Southerly from a line midway between the Southbound main track and the running track of the Atlantic Coast Line Railroad, as now located, for a distance of 1,304.7 feet, to a point where the South line of the Atlantic Coast Line Railroad, 30 foot strip right-of-way, intersects the Western boundary, of the Jacksonville Terminal Company property; thence South 41 degrees 30 minutes west along the Western boundary of the Jacksonville Terminal Company's property for a distance of 75 feet, more or less; thence South 48 degrees 30 minutes East, for a distance of 734.2 feet; thence South 59 degrees 15 minutes East, for a distance of 644.9 feet to a point, thence Northeasterly for a distance of 35 feet to a point, thence Southeasterly a distance of 174.2 feet to a point, thence southeasterly a distance of 178.3 feet to a point on the Northwestern line of Beaver Street, thence North 77 degrees 15 minutes east along the Northwestern line of Beaver Street a distance of 49.4 feet to a point, thence north 46 degrees 00 minutes west, a distance of 120 feet to a point, thence south 59 degrees 15 minutes east a distance of 145.9 feet to the Northwestern line of Beaver Street, thence in a northeasterly direction along the northwestern line of Beaver Street, a distance of 8 feet plus or minus to the point of beginning, containing 4.17 acres more or less.

### TRACT No. 3

Beginning at a point in the intersection of the center line of Acorn Street with the southeast line of Beaver Street, (formerly the Jacksonville and Alligator Plank Road also Houston Street), thence with the centre line of Acorn Street south 38 degrees 26 minutes east a distance of 975.91 feet to the southeast line of Church Street; thence with the southeast line of Church Street north 85 degrees 10 minutes east a distance of 803 feet plus or minus to a point 7.5 feet westerly from the centre line of the main track of the Seaboard Air Line Railroad Company to Savannah, said point being 897.5 feet plus or minus from the southwest corner of the intersection of Church Street with Myrtle Avenue and in the west line of the Seaboard Air Line Railroad's 30 foot strip of right-of-way, thence in a Southerly direction along the



said West line of the Seaboard Air Line Railroad, 30 foot strip of right-of-way and parallel to and distant 7.5 feet Westerly from the centre of the said main track for a distance of 557.6 feet; thence in a southerly direction on a curve to the left with a radius of about 982.6 feet, continuing parallel to and 7.5 feet Westerly from the centre of said main track for a distance of 466.0 feet to the North boundary line of the J. L. Burch tract, as conveyed to the East Florida Railway Company (now the Atlantic Coast Line Railroad Company) by J. L. Burch by deed recorded in book "AG", page 725, Duval County, Florida; thence South 53 degrees 14 minutes East, along the North boundary of the J. L. Burch tract to the East line of Myrtle Avenue a distance of 700 feet plus or minus; thence Northerly with the East line of Myrtle Avenue 45 feet, more or less, to the South line of Bay Street; thence South 77 degrees 08 minutes East with the South line of Bay Street 308 feet, more or less, to a point in the Northern line of Lot 4, Block 12 and in the South line of Bay Street, distant Eastwardly 12.7 feet from the Northwest corner of said Lot 4, as measured along the north line of said Lot 4; thence in a Southwesterly direction on a line making an angle of 39 degrees 00 minutes with the South line of Bay Street 23.8 feet; thence Southwesterly by a curve to the right with a radius of 458.3 feet a distance of 186.5 feet, thence Eastwardly along the Southern line of Lots 2 and 3, 105 feet to a point which is 65.5 feet Westwardly from the Southeast corner of said Lot 3; thence in a Northeasterly direction by a curve to the left with a radius of 498.3 feet for a distance of 97.5 feet; thence tangent to said curve along a straight line making an interior angle of 39 degrees with Bay Street for a distance of 73.2 feet to the South line of Bay Street; thence Southeasterly along the South line of Bay Street for a distance of 300 feet, more or less, to the West line of the Malvina Grunthal and Wilson-Parker Lots, said point being a distance of 147 feet West from the Western line of Cleveland Street, as measured along the Southern line of Bay Street; thence Southerly parallel to Cleveland Street, and maintaining a distance of 147 feet therefrom, 102 feet; thence South 75 degrees 35 minutes East a distance of 170 feet, more or less, to a point in the Eastern line of Cleveland Street; thence South 77 degrees 08 minutes east and parallel to Bay

Street 315 feet; thence Northwardly parallel to Stuart Street, 105 feet, more or less, to the South line of Bay Street; thence south 77 degrees 08 minutes East with the Southern line of Bay Street, 105 feet, more or less, to the Western line of Stuart Street; thence Southwardly with the West line of Stuart Street 118 feet, more or less, to the Northern limit of the original right-of-way of the Florida Central & Peninsular Railway (now the Seaboard Air Line Railroad); thence south 75 degrees 35 minutes East a distance of 60 feet plus or minus, with the North limit of said right-of-way to the East line of Stuart Street; thence North with the East line of Stuart Street 120 feet, more or less, to the Southern line of Bay Street; thence South 77 degrees 08 minutes East with the South line of Bay Street 648.3 feet, more or less, to the Western line of Lee Street; thence Southwardly with the West line of Lee Street 177.5 feet; thence South 77 degrees 08 minutes East, parallel to Bay Street 400 feet plus or minus; thence Southwardly parallel to the West line of Davis Street, 16 feet; thence South 75 degrees 35 minutes East, 270.8 feet, more or less, to a point, thence Southeasterly 18 feet plus or minus to a point on the North line of the Seaboard Air Line Railroad 30 foot strip of right-of-way; thence in a Westerly direction on a curve to the left with a radius of 667.3 feet, a distance of 330.9 feet, the tangent to said curve at point of beginning, having a bearing of North 86 degrees and 22 minutes West; thence tangent to said curve South 65 degrees 12 minutes West for a distance of 188.2 feet; thence on a curve to the right with a radius of 543.7 feet, a distance of 357.0 feet; thence tangent to said curve North 77 degrees 08 minutes West, parallel to and distant 572.5 feet Southwardly from the Southerly side of Bay Street, a distance of 1,011.2 feet; thence on a curve to the right with a radius of 541.8 feet, a distance of 213.8 feet; thence tangent to said curve North 54 degrees 30 minutes West for a distance of 933.4 feet; thence on a curve to the left with a radius of 955.4 feet for a distance of 216 feet, more or less, to a point where the Northern line of the Seaboard Air Line 30 foot strip of right-of-way intersects the Northern line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence following along the North line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way, to a point where said North line intersects the Southeastern

line of Enterprise Street (formerly the Jacksonville and Alligator Plank Road); thence in a Northeasterly direction along the Southeasterly line of Enterprise Street for a distance of 907 feet, more or less, to a point of beginning, containing 63.86 acres, more or less.

#### TRACT No. 4

Beginning at a point where the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way intersects the North line of the Seaboard Air Line Railroad 30 foot strip of right-of-way, distant 535 feet, more or less, West of the West line of Myrtle Avenue, measured along the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence North 54 degrees 30 minutes West along the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way for a distance of 2,972 feet, more or less, to a point where the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way intersects the North line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way (along the Atlantic Coast Line North and South connecting track); thence along the North line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way, following the Atlantic Coast Line North and South connecting track 7.5 feet measured Northerly therefrom and parallel to said Atlantic Coast Line Railroad North and South connecting track to a point in the intersection of the North Line of the Seaboard Air Line 30 foot strip of right-of-way; thence South 75 degrees 35 minutes East, along the North line of the Seaboard Air Line Railroad 30 foot strip for a distance of 1,010 feet, more or less, to a point of beginning, containing 9.64 acres, more or less.

#### TRACT No. 5

Beginning at a point where the South line of the Atlantic Coast Line Railroad 30 foot strip, (running from Enterprise Street to Dennis Street) intersects the North line of the Seaboard Air Line Railroad 30 foot strip of right-of-way, measured 1,525 feet, more or less, in a Northwesterly direction from the West line of Myrtle Avenue; thence following the South line of the Atlantic Coast Line Railroad 30 foot strip, in a general Northwesterly direction, 22½ feet Southwesterly from the

Atlantic Coast Line, North and South connection track to an intersection of said South line, with the Southeasterly line of Enterprise Street (formerly the Jacksonville and Alligator Plank Road); thence in a Southwesterly direction along the Southeasterly line of Enterprise Street, (formerly the Jacksonville and Alligator Plank Road) for a distance of 178 feet, more or less, thence South 38 degrees 26 minutes East, 656.7 feet; thence South 83 degrees 39 minutes West, 261.8 feet to a point distant 25 feet Southeasterly, as measured from the centre line of the main track of the Seaboard Air Line North and South connecting track, as now located; thence in a Southwestwardly direction on a curve line to the right, parallel to said centre line of the North and South connecting track, and maintaining a distance of 25 feet, more or less, 767 feet more or less; thence south 2 degrees 14 minutes East 25.4 feet; thence South 75 degrees 35 minutes East 29.9 feet; thence South 14 degrees 25 minutes West 30 feet, more or less, to the North line of the Seaboard Air Line Railroad 30 foot strip; thence Southeasterly along the North Line of the Seaboard Air Line Railroad 30 foot strip of right-of-way for a distance of 2,245 feet, more or less, to point of beginning, containing 27.76 acres, more or less.

#### TRACT No. 6

Beginning at a point in the Western boundary of the property of the Jacksonville Terminal Company, where the Seaboard Air Line Railroad 30 foot strip of right-of-way intersects the said Western boundary and  $9\frac{1}{2}$  feet in a Southwestwardly direction measured at right angles from the main line of the Seaboard Air Line Railroad Tallahassee line; thence along the South line of the Seaboard Air Line Railroad 30 foot strip and parallel to and  $9\frac{1}{2}$  feet measured in a Southwesterly direction from the Seaboard Air Line Railroad Tallahassee main track for a distance of 2,248 feet, more or less, to a point where the Seaboard Air Line Railroad 30 foot strip of right-of-way intersects the Atlantic Coast Line Railroad 30 foot strip of right-of-way, (extending from Enterprise Street to Dennis Street); thence in a Southwestwardly direction along the South line of the Atlantic Coast Line Railroad 30 foot strip, (extending from Enterprise Street to Dennis Street) to a point in the North line of Dennis

Street; thence in a Northwesterly direction along the North line of Dennis Street for a distance of 522 feet, more or less, to the centre line of Lemon Street; thence North 12 degrees and 25 minutes East, along the centre line of Lemon Street for a distance of 275 feet to a point in the original 100 foot right-of-way of the Florida Central and Peninsular Railroad (now the Seaboard Air Line Railroad); thence North 75 degrees and 35 minutes West, along the original 100 foot right-of-way of the Florida Central and Peninsular Railroad (now the Seaboard Air Line Railroad) for a distance of 1,662.4 feet and 50 feet measured in a Southerly direction at right angles from the Seaboard Air Line main track to Tallahassee; thence North 14 degrees and 25 minutes East, 40.5 feet to point of beginning, containing 5.91 acres, more or less.

#### TRACT No. 7

Beginning at a point where the South line of the Seaboard Air Line Railroad 30 foot strip of right-of-way intersects the North line of the Atlantic Coast Line Railroad North and South bound connecting track 30 foot strip of right-of-way, and measured  $9\frac{1}{2}$  feet in a southerly direction from the Seaboard Air Line Railroad main track to Tallahassee; thence following along the South line of the Seaboard Air Line Railroad 30 foot strip of right-of-way, for a distance of 1,105 feet, more or less, to a point where the South line of the Seaboard Air Line Railroad 30 foot strip of right-of-way intersects the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence South 54 degrees and 30 minutes East along the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way to a point where said South line of the Atlantic Coast Line Railroad 30 foot strip intersects centre line of Dennis Street; thence North 75 degrees and 35 minutes West, with the centre line of Dennis Street, 835 feet, more or less to the Southwest corner of a lot of land conveyed by J. H. Knapp and wife, to the East Florida Railway Company (now the Atlantic Coast Line Railroad), and recorded in book (AF), page 422, Duval County, Florida; thence Northwardly with the West line of the said Lot, North 14 degrees and 25 minutes East 25 feet to the North line of Dennis Street; thence North 75 degrees 35 minutes West, with the North line of Dennis Street, 1,200 feet,

more or less, to the point of intersection of the North line of Dennis Street and the East line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way (extending from Enterprise Street to Dennis Street); thence in a Northeasterly direction along the East line of the said Atlantic Coast Line Railroad 30 foot strip, (extending from Enterprise Street to Dennis Street) to point of beginning, containing 11.63 acres, more or less.

#### TRACT No. 8

Beginning at a point where the East line of Hanover Street intersects the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence in a southerly direction along the said East line of Hanover Street to point in the intersection of the East Line of Hanover Street and with the Southern line of the North half of Lot 3, Block 3 (said block being bounded on the North and Northeast by Dennis Street and Brick Yard Branch, and on the south and Southeast by McCoy's Creek) (old Creek location); thence with the Southern line of the North half of Lot 3, Block 3, to a point of intersection of the North bank of McCoy's Creek with the South line of the North half of Lot 3, Block 3; thence Southeastwardly on a straight course 85 feet, more or less, to the centre line of McCoy's Creek; thence Eastwardly and along the centre line of McCoy's Creek 515 feet plus or minus to the South bank of McCoy's Creek; thence South 77 degrees 08 minutes East, 210 feet plus or minus to the Northwestern line of Charles Street (now Chelsea Street); thence Northeastwardly along the Northwestern line of Charles Street (now Chelsea Street); 165 feet, more or less, where the Northwesterly side of Charles Street (now Chelsea Street) intersects the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence North 77 degrees and 08 minutes West, parallel to and distant  $632\frac{1}{2}$  feet Southerly, from the Southerly side of Bay Street, along the south line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way, 813 feet, more or less, to a point of curve; thence on a curve to the right with a radius of 601.8 feet, a distance of 237.4 feet; thence tangent to said curve North 54 degrees 30 minutes West for a distance of 205 feet more or less, to point of beginning, containing 2.75 acres, more or less.

## TRACT No. 9

Beginning at a point in the East boundary line of the lands of the Jacksonville Terminal Company, distant 650 feet, more or less, from a rail monument in the West line of the Riverside Avenue Viaduct, measured along said Eastern boundary line North 31 degrees and 27 minutes West, which point is an intersection of the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way and said Eastern boundary line of the land of the Jacksonville Terminal Company; thence along the South line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way North 79 degrees 09 minutes West, a distance of 130.2 feet; thence on a curve to the left with a radius of 448.2 feet for a distance of 278.4 feet, thence tangent to said curve South 65 degrees and 12 minutes West for a distance of 154.8 feet; thence on a curve to the right with a radius of 603.7 feet, a distance of 396.4 feet; thence tangent to said curve North 77 degrees 08 minutes west, parallel to and distant 632.5 feet Southerly from the Southerly side of Bay Street, for a distance of 200 feet, more or less, to a point in the Northeasterly side of Leila Street; thence Southeastwardly with the Northeastern line of Leila Street 240 feet, more or less, to the Northwestern line of Park Street produced; thence Northeasterly along the Northwestern line of Park Street produced 83 feet, more or less, to the Marsh line of McCoy's Creek; thence Eastwardly following the meanderings of the edge of the said marsh 215 feet, more or less, thence Southwestwardly with the Northwestern line of Lots 25 and 26, Block 10, 75 feet, more or less; thence south 77 degrees 08 minutes East parallel to the South line of Bay Street, over and across Oak Street 435 feet, more or less, to an intersection with the Northeast line of McCoy Street, if same were produced; thence Northeast with the Southeastern bank of McCoy's Creek, following the meandering thereof 410 feet, more or less; thence South 31 degrees 27 minutes East, 450 feet to the Southeastern line of Riverside Avenue; thence North 61 degrees and 08 minutes East, with the Southeast line of Riverside Avenue 91.6 feet to a point distant 8.3 feet Southwestwardly from the centre line of the main track of the Florida East Coast Railway Company, as measured at right angles thereto; thence along a line parallel to and 8.3 feet Southwest from the centre line of the

main track of the Florida East Coast Railway, South 31 degrees and 27 minutes East, for a distance of 838 feet to the Port Warden line of the St. Johns River; thence northeasterly with the said Port Warden line 49.4 feet, more or less; thence North 31 degrees 27 minutes West and parallel with the centre line of the main track of the Florida East Coast Railway 894 feet to the Northwestern line of Riverside Avenue; thence South 61 degrees 08 minutes West, with the Northwest line of Riverside Avenue 33.9 feet to a point distant 7 feet Northeasterly, as measured at right angles from the centre line of the main line tangent of the Florida East Coast Railway as same extends across the St. Johns River; thence North 31 degrees 27 minutes West, along a line drawn parallel to and distant 7 feet Northeastwardly, as measured at right angles from the centre line of the main tangent of the Florida East Coast Railway, as same extends across the St. Johns River, 650 feet, more or less, to point of beginning, containing 8.37 acres, more or less.

#### TRACT No. 10

Beginning at a point in the eastern boundary line of the lands of the Jacksonville Terminal Company, said boundary line being the dividing line between the lands of the Jacksonville Terminal Company and the lands of the Seaboard Air Line Railroad Company, distant 754 feet, more or less, from a rail monument in the west line of Riverside Avenue Viaduct measured along said Eastern boundary line North 31 degrees 27 minutes West, which point is the intersection of said boundary line with the South line of the Seaboard Air Line Railroad 30 foot strip of right-of-way; thence in a Southwesterly direction on a curve to the left with a radius of 637.3 feet, a distance of 337.2 feet to a point where the south line of the Seaboard Air Line Railroad 30 foot strip of right-of-way joins the North line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way; thence in an Easterly direction along the North line of the Atlantic Coast Line Railroad 30 foot strip of right-of-way on a curve to the right with a radius of 478.3 feet for a distance of 297 feet, more or less; thence tangent to said curve South 79 degrees 09 minutes East a distance of 102.9 feet to a point in the said Eastern boundary line



of the lands of the Jacksonville Terminal Company; thence North 31 degrees 27 minutes West along said Eastern boundary line for a distance of 65 feet, more or less, to point of beginning, containing 0.18 acres, more or less. The same tract of land being the one included between extreme Eastern ends of the Atlantic Coast Line Railroad, 30 foot strip of right-of-way and the Seaboard Air Line Railroad 30 foot strip of right-of-way, and bounded on the East by the Eastern boundary line of the Jacksonville Terminal Company's property.

#### TRACT No. 11

Beginning at a point in the intersection of the Northern line of Church Street with the Western limit of the right-of-way of the Seaboard Air Line Railroad, said point being distant 17.3 feet Westwardly from the centre line of the main track of said railroad as measured along the Northern line of Church Street; thence with said right-of-way limit, Northwardly 500 feet; thence Southwardly on a straight course 500.23 feet to a point in the Northern limit of Church Street, which point is distant 32.8 feet Westwardly from the centre line of the main track of said railroad, as measured along the Northern line of Church Street; thence North 85 degrees 10 minutes East with the Northern line of Church Street 15.5 feet, more or less, to point of beginning, containing 0.09 acres, more or less.

#### PARCEL 85

All of Lot 29 in Block 10 in Brooklyn Sub-division except that portion occupied by McCoy's Creek (present location) as well as that portion lying north of the Marsh line of McCoy's Creek (old location), said parcel containing .11 acres, more or less.

#### PARCEL 84

All of Lot 22 and that part of Lots 18 and 19 lying South of McCoy's Creek in Block 3, Brooklyn Sub-division, said parcels containing .48 acres, more or less.

#### PARCELS 37, 39, 40, 41, 77 AND 78

All of Block 49 lying South of McCoy's Creek except a rectangular parcel 72 feet by 71.75 feet at the inter-

section of Stonewall and Chelsea Streets, said parcels containing .25 acres, more or less.

#### PARCELS 44 AND 83

All of Lots 1, 2 and 8 in Block 14 lying south of McCoy's Creek and a portion of Lot 1 lying North of McCoy's Creek with the exception of a portion of Lot 8 being a strip 105 feet along Park Street, 20 feet deep at the southwest end and 36 feet deep at the northwest end and now used as the Lee Street Viaduct, said parcels containing .46 acres, more or less.

#### PARCEL 87

That portion of a rectangular parcel of land 92.4 feet long and 70 feet wide, located at the northeast corner of the intersection of Park and Leila Streets lying south of McCoy's Creek, said parcel containing .10 acres, more or less.

(b) All buildings, stations, depots, warehouses, car-houses, engine-houses, shops, turn-tables, water stations, roadbeds, super-structures, rights of way, rails, tracks, sidetracks, sidings, switches, culverts, tunnels, bridges, viaducts, fences, telegraph and telephone lines, signals, and all other erections and fixtures and things of whatever kind which now or at any time shall belong or appertain to, or be provided for use upon, or in connection with, the above described terminal properties and facilities subject to the lien of this indenture.

(c) All locomotives and engines by whatever power propelled, tenders, cars, work equipment and other rolling stock, buses, trucks, and all furniture, machinery, tools, implements, appliances, materials and supplies now owned or hereafter acquired by the Company for use in connection with the mortgaged premises, reserving, however, to the Company, so long as it retains actual possession of and is operating the mortgaged premises, the right to consume, sell and dispose of materials and supplies in any manner free from the lien of this indenture and without any action by the Trustees and without obli-

gation to account to the Trustees for the proceeds or salvage value thereof.

(d) All the rights and interest of the Company in and under that certain Operating and Guaranty Agreement dated the 1st day of December, 1947, by and between the Company, as party of the first part, Atlantic Coast Line Railroad Company, Scott M. Loftin and John W. Martin as Trustees of the Properties of Florida East Coast Railway Company, Seaboard Air Line Railroad Company, Southern Railway Company and Georgia Southern and Florida Railway Company, as parties of the second part, and the Trustees, as parties of the third part, relating to the joint use and operation of the passenger station and terminal facilities of the Company and the guaranty of the bonds of Series A to be issued hereunder by the corporations parties to said Agreement and hereinbefore named as guarantors of said bonds, said Agreement being herein called the "Operating and Guaranty Agreement".

(e) Any and all corporate and other rights, privileges, and franchises which the Company now has, or which the Company or its successors shall hereafter acquire, possess, or become entitled to, for or appertaining to the construction, maintenance, use or operation of the above described terminal properties and facilities or other property subject to the lien of this indenture.

(f) Any and all rents, issues, profits, tolls, and other income of the property now or at any time hereafter subject to the lien hereof.

(g) All property of every name and nature which from time to time hereafter shall be acquired or constructed by the Company with bonds authorized to be issued under this indenture or their proceeds, and all property of every name and nature which from time to time hereafter, by delivery or by writing of any kind, may be expressly conveyed, assigned or mortgaged or delivered and pledged by the Company, or by any one in

behalf of the Company, with its written consent or approval, to the Trustees, as additional security for the bonds issued and to be issued hereunder.

The Company, nevertheless, reserves and may from time to time exercise the right, by the employment of its credit or funds not derived from any use of the bonds authorized to be issued under this indenture or their proceeds, to construct or acquire other property or interest therein, and to have and to hold the same free from the lien of this indenture, and nothing herein contained shall be construed as creating or imposing thereon any lien or encumbrance.

TO HAVE AND TO HOLD the mortgaged premises, together with all and singular the rights, privileges, franchises and appurtenances thereunto belonging or appertaining, and the rents, issues and profits thereof, unto the said Trustees, their successors in trust and their assigns forever.

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of all the holders of the bonds issued or to be issued under this indenture without preference or priority of any bond over any other bond or the coupons thereto belonging, by reason of priority in the time of issue or negotiation thereof, or otherwise howsoever (except as provided in Section 1 of Article Six and Section 2 of Article Ten hereof and except for such priorities as among bonds of different series in respect of sinking fund payments as may be provided in this indenture or in any indenture supplemental hereto), and for enforcing the payment of the principal thereof and interest and premium, if any, thereon according to their tenor, with the power and authority and subject to the agreements, covenants, provisos and conditions hereinafter expressed and declared, and it is covenanted between the parties hereto and for the benefit of the respective holders from time to time of bonds and coupons issued hereunder, as follows, viz:

## ARTICLE ONE.

## AMOUNT, FORM, EXECUTION, AND REGISTRY OF THE BONDS.

SECTION 1. The aggregate principal amount of all bonds which may be issued and outstanding under this indenture shall never at any one time exceed the sum of Five Million Dollars (\$5,000,000.); provided, however, that the amount of bonds issued and outstanding at any one time shall not be deemed to include (1) any bonds which shall have been redeemed or otherwise paid and cancelled, including bonds purchased or redeemed for any sinking fund or (2) any bonds matured or called for redemption pursuant to any reserved redemption right, provided the amount payable on such bonds so matured or called for redemption shall have been deposited with or delivered to the Trustee and held by the Trustee in trust for the holders of such bonds, and, in case of redemption, notice of such redemption shall have been duly given or provision for such notice satisfactory to the Trustee shall have been made, or (3) any bonds mutilated, destroyed or lost to replace which other bonds shall have been issued as herein provided.

SECTION 2. All the bonds issued hereunder shall be executed on behalf of the Company by its President or one of its Vice-Presidents, and its corporate seal or facsimile thereof shall be thereto affixed or imprinted thereon and attested by its Secretary or an Assistant Secretary. In case any officer of the Company who shall have executed or attested any of the bonds shall cease to be such officer before the bonds so executed or attested shall have been actually authenticated and delivered by the Trustee, such bonds may nevertheless be issued, authenticated and delivered as though the person who executed or attested such bonds had not ceased to be such officer of the Company. The coupons to be attached to the bonds

shall bear the imprinted or engraved facsimile signature of the present Treasurer or of any future Treasurer of the Company, and the Company may adopt and use for that purpose the imprinted or engraved facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bond or bonds shall be actually authenticated and delivered.

SECTION 3. Only such bonds as shall bear endorsed thereon a certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be issued under or secured by this indenture or entitled to any lien, right or benefit hereunder; and such certificate by the Trustee upon any such bonds when issued shall be conclusive evidence that the bond so authenticated has been duly authenticated and delivered hereunder, and that the holder is entitled to the benefit of the trust hereby created.

Bonds may be issued originally either as coupon bonds or registered bonds without coupons.

The Trustee shall not authenticate or deliver any coupon bonds unless all coupons thereon then matured shall have been detached and canceled, except as provided in Sections 7 and 8 of this Article One.

The bonds of any series may contain such specifications, or have imprinted thereon such legends, as may be required to conform to any rule of any stock exchange or Governmental body or agency or any usage with respect thereto.

Whenever any bonds shall be issued as registered bonds without coupons, there shall be reserved unissued for exchange therefor in the manner and upon the terms hereinafter provided, an aggregate principal amount of unexecuted coupon bonds of the same series equal to the principal amount of the registered bonds without coupons so issued and the serial numbers reserved for such unexecuted coupon bonds so reserved shall be endorsed on such registered bonds.

SECTION 4. The bonds of Series A shall be designated as the Company's "First Mortgage 3 $\frac{3}{8}$ % Bonds, Series A." Bonds of other series shall be issuable as from time to time authorized by the Board of Directors of the Company. Each series shall be distinguished by a serial letter or otherwise and the coupon bonds (if any) and the registered bonds without coupons (if any), and the several denominations of each, shall also be distinguished by appropriate letters and numbers, as prescribed by the Company with the approval of the Trustee. All bonds of the same series shall be identical in tenor, except as to denomination, and except that they may be in registered or in coupon form or both.

The bonds of Series A (a) shall be dated, in the case of coupon Bonds, as of December 1, 1947, and, in the case of registered bonds without coupons, as of the date of authentication thereof; (b) shall mature December 1, 1977; (c) shall bear interest at the rate of three and three-eighths per cent (3 $\frac{3}{8}$ %) per annum payable on the first days of June and December in each year, beginning June 1, 1948; (d) shall be payable both as to principal and interest, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; (e) shall be redeemable before maturity at the option of the Company as a whole or in part as provided in Article Three hereof; (f) shall be issuable in the form of coupon bonds in denomination of \$1,000, and registered bonds without coupons in denominations of \$1,000, and any multiple of \$1,000, and the coupon bonds and registered bonds without coupons of Series A shall be interchangeable; (g) shall be entitled to the benefits of the sinking fund provided for in Article Four hereof; and (h) shall be in substantially the form set forth in the preambles of this Mortgage. Within the limitation of this Mortgage upon the aggregate principal amount of bonds of all series, the aggregate principal amount of bonds of Series

A which may be authenticated and delivered is unlimited.

Registered bonds without coupons of Series A shall bear interest from the last preceding interest payment date to which interest shall have been paid on the bonds of said series, unless the date of authentication be an interest payment date to which interest is being paid on said series, in which case they shall bear interest from such date of authentication, provided that registered bonds authenticated prior to June 1, 1948, shall bear interest from December 1, 1947.

Interest on registered bonds without coupons of Series A may be paid by check to or upon the order of the registered owner, mailed to the address shown by the records of the Company.

SECTION 5. Bonds of series other than Series A and the coupons appurtenant to coupon bonds of any such series shall be substantially in the respective forms set out in the supplemental indenture creating such series. In authorizing the issue of any such other series of bonds the Board of Directors shall determine and specify by resolution the designation of such series, the form or forms of the bonds of such series, the date or dates of the coupon and registered bonds of such series, the maturity, the rate of interest, the interest payment dates, the denominations, the place or places at which the principal thereof and interest thereon shall be payable, the redemption provisions, if any, the sinking fund provisions, if any, any limitation of the aggregate principal amount of the series (which may thereafter be further limited by supplemental indenture pursuant to the provisions of Article Eleven hereof), whether bonds of such series are to be issued as coupon bonds and/or as registered bonds without coupons, any provisions as to the right of interchange of coupon bonds and registered bonds without coupons and of the several denominations of either form and whether coupon bonds (if any) of such series are to be registerable as to principal, and all said terms shall be set out in a supplemental indenture executed pursuant to



Article Eleven hereof; provided, however, that unless otherwise specified in the supplemental indenture creating any such other series, the provisions of Sections 6 and 7 of this Article One shall, so far as applicable, apply to bonds of any such other series as well as to bonds of Series A.

Series of bonds, other than Series A, shall have such priority in respect of payment of sinking funds, as among such series, as may be determined by the Board of Directors at the time of the creation of such series, but, so long as any bonds of Series A are outstanding, no other series of bonds shall be issued ranking, as to sinking fund payments, prior to or on a parity with the bonds of Series A.

SECTION 6. At all times until the payment of the principal of all the bonds at any time issued hereunder, the Company will maintain an office or agency in the Borough of Manhattan, City of New York, where the bonds and coupons may be presented for payment and where demands and notices with respect thereto, or with respect to this indenture, may be served. In case the Company shall fail to keep such office or agency, such bonds and coupons may be presented for payment, and all such demands and notices may be made and served at the office of the Trustee in the City of New York.

The Company will keep, at said office or agency in the Borough of Manhattan, City of New York, a sufficient register or registers for the registration, transfer and exchange of bonds, which shall at all reasonable times be open for inspection by the Trustees and any holder of the bonds; and upon presentation for such purpose the Company will, under such reasonable regulations as it may prescribe, register therein as to principal any bonds issued hereunder in coupon form and as to both principal and interest any bonds issued hereunder in fully registered form without coupons. The holder of any coupon bond may have the ownership thereof registered on said books, such registration being noted on the bond. After such registration, no transfer shall be valid unless made

on said books by the registered holder in person or by his attorney duly authorized in writing and noted on the bond; but the same may be discharged from registration by being in like manner transferred to bearer, after which it shall be transferable by delivery, and may again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons belonging to any bond; but every such coupon shall continue to be transferable by delivery and payable to bearer. The holder of any coupon bond, at his option, may at any time surrender the same to the Company for cancellation with all unmatured coupons appertaining thereto and receive in exchange therefor a like principal amount of registered bonds without coupons of the same series in any authorized denominations as hereinafter provided; and the registered holder of any registered bond, at his option, may at any time surrender the same for cancellation and receive in exchange therefor a like principal amount of coupon bonds of the same series as hereinafter provided. Such registered bonds shall be transferable by the registered holder thereof in person or by his duly authorized attorney on the books of the Company at said office or agency, and upon surrender and cancellation thereof new registered bonds of the same series will be issued to the transferee in exchange therefor as hereinafter provided.

The Company and the Trustees may consider and treat the person in whose name any coupon bond shall be registered as to principal or in whose name any registered bond without coupons is registered, whether or not such bond or any interest thereon is overdue, as the absolute owner of such bond for all purposes whatsoever, except that interest on coupon bonds shall be payable only to the bearers of the coupons representing such interest, and neither the Company nor the Trustees shall be affected by any notice to the contrary. The Company and the Trustees may consider and treat the bearer of any coupon bond which shall not at the time be registered as to principal, and the bearer of any coupon for

interest, whether or not the bond to which such coupon appertains shall be registered as to principal, and whether or not such bond or such coupon be overdue, as the absolute owner of such bond or such coupon for all purposes whatsoever, and neither the Company nor the Trustees shall be affected by any notice to the contrary. All payments made to the registered owner for the time being, or upon his order, or to the bearer, or upon his order, as the case may be, in accordance with this Section 6, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon the bond or coupon involved.

SECTION 7. Whenever any coupon bond or bonds, together with all unmatured coupons thereto belonging (and all unmatured coupons thereunto belonging, if any, not theretofore or then being paid), shall be surrendered for exchange for a registered bond, the Company shall execute, and the Trustee shall authenticate and deliver, in exchange for such coupon bond or bonds, a registered bond without coupons of the same series of a like principal amount, and the registered bond so issued, authenticated and delivered shall have endorsed thereon the serial number or numbers borne by the coupon bond or bonds so surrendered for exchange.

Whenever any registered bond secured hereby shall be surrendered for exchange for a coupon bond, the Company shall execute and the Trustee shall authenticate and deliver in exchange for such registered bond a like principal amount of coupon bonds of the same series, each bearing one of the serial numbers endorsed upon the registered bond so surrendered and with coupons for interest thereto attached maturing on and after the next date for the payment of interest after the date to which interest shall have been paid on the bonds of such series.

Whenever any registered bond secured hereby shall be surrendered for transfer, the Company shall execute,

and the Trustee shall authenticate and deliver to the transferee, upon surrender and cancellation of the bond or bonds transferred, a like principal amount of new registered bonds of the same series, which shall have endorsed thereon the same serial number or numbers of coupon bonds which were endorsed upon the registered bond so surrendered.

In every case of any such exchange or transfer, the Trustee shall forthwith cancel the surrendered bond or bonds and coupons, if any, and dispose of the same according to the written request of the Company, but the numbers shall be preserved so as to identify and show for what coupon bonds the registered bonds have been issued.

Each bond delivered pursuant to the exercise of any privilege of transfer or exchange or in substitution for the whole or any part of one or more other bonds shall carry all of the rights to interest accrued and unpaid and to accrue, which were carried by the whole or such part of such one or more other bonds, and such bonds, if registered bonds without coupons, may bear such notation, or, if coupon bonds, shall have attached thereto such coupons that neither gain nor loss in interest shall result from such transfer or exchange or substitution.

For any exchange of a coupon bond for a registered bond, for any transfer of a registered bond without coupons, or for any exchange of a registered bond for a coupon bond, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith, and also a further sum not exceeding \$2 for each new registered or coupon bond issued upon such exchange or transfer.

SECTION 8. In case any coupon bond, with the coupons appertaining thereto, or any registered bond without coupons shall become mutilated, or be destroyed or lost, the Company, in its discretion, may issue, and there-

upon the Trustee shall authenticate and deliver, a new bond of the same series, of like form, tenor and date, bearing the same serial number, in exchange and substitution for the coupon bond and its coupons or the registered bond so mutilated, destroyed or lost. The applicant for such substituted bond shall either surrender to the Company and the Trustee the mutilated bond and coupons appertaining thereto, if any (which shall thereupon be cancelled), or furnish evidence of the destruction or loss of the bond so destroyed or lost, which evidence shall be satisfactory to the Company and the Trustee in their discretion, and indemnity satisfactory to both of them in their discretion.

SECTION 9. Until the definitive engraved or lithographed bonds of any series are ready for delivery, the Company may execute and upon its request the Trustee shall authenticate and deliver in lieu of such definitive bonds, subject to the same provisions, limitations and conditions, temporary bonds without some or all of the coupons and of the denomination of \$1,000. each, or any multiple thereof, substantially of the tenor of the definitive coupon or registered bonds to be issued hereunder, but with such omissions, insertions and variations as may be required or deemed advisable, entitling the holders thereof to said definitive bonds when ready for delivery. Upon surrender of such temporary bonds for exchange, the Company shall issue, without expense to the holders thereof, and upon cancellation of such surrendered bonds the Trustee shall authenticate and deliver in exchange therefor, and as representing the same debt, definitive engraved or lithographed bonds of the same series of authorized denominations for the same aggregate principal amount as the temporary bonds so surrendered and in either coupon or registered form without coupons as may be requested by the bearers or registered holders of temporary bonds so surrendered. Until so exchanged the temporary bonds shall in all respects be entitled to

the same benefits of this indenture as the definitive bonds to be issued and authenticated hereunder. Interest on fully registered temporary bonds shall be paid to the registered owners thereof. Interest on all other temporary bonds shall be paid to the bearers thereof and such payment noted thereon, or if such temporary bonds shall have been issued with coupons, shall be paid on presentation and surrender of such coupons as they shall severally mature.

SECTION 10. Nothing in this indenture or in the bonds, expressed or implied, is intended, or shall be construed, to give to any person or corporation other than the parties hereto and the holders of bonds issued under and secured by this indenture, any legal or equitable right, remedy or claim under or in respect of this indenture, or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds hereby secured.

## ARTICLE TWO.

### CERTIFICATION AND ISSUE OF BONDS.

SECTION 1. The Company, at any time after execution and delivery of this indenture, may execute and deliver to the Trustee for authentication \$4,000,000. principal amount of bonds, to be known as the Bonds of Series A, in temporary or definitive form as herein provided. The Trustee shall immediately, without further action on the part of the Board of Directors of the Company and without awaiting the filing or recording of this indenture, authenticate and deliver the bonds to or on the written order of the President or one of the Vice-Presidents, and the Treasurer or an Assistant Treasurer of the Company; provided, however, that there shall have first been delivered to the Trustee the instruments re-

quired by the terms of paragraph (4) of Section 3 of this Article Two, and that there shall have been deposited with the Trustee under the Company's First and General Mortgage, dated June 1, 1917 and with the Trustee under the Company's Refunding and Extension Mortgage dated October 1, 1921, respectively, funds sufficient for the payment of all of the bonds issued and outstanding under said mortgages at the respective redemption prices therefor and that the respective Trustees under said mortgages shall have executed and delivered satisfactions and releases of said mortgages; the Company hereby covenanting that the proceeds of said bonds of Series A, together with other funds of the Company, shall be used for and applied toward the payment, redemption and retirement of all of the bonds issued and outstanding under said mortgages.

SECTION 2. Additional bonds to an aggregate principal amount not exceeding \$1,000,000. may be issued under this indenture, and the proceeds thereof shall be used only to provide for, or to reimburse the Company for, expenditures made after the date of this indenture and not more than five years prior to the date of issue of such bonds to the extent that such expenditures are properly chargeable to capital account, under instructions, classifications, rules and regulations of the Interstate Commerce Commission or other governmental body having jurisdiction of the subject matter, for purposes as follows:

1. The construction, completion or acquisition by the Company of any additional tracks, including side tracks and spur tracks; any buildings, bridges and other structures; any property and facilities required for the development, storage, transmission or distribution of power of any kind, or of heat, light and water; any other fixed property of any kind, including appurtenances, used or useful in connection with the conduct of the business of the Company.

2. The acquisition by the Company of cars, locomotives and other rolling stock, and every kind of equipment, machinery, tools, implements and other chattels used or useful in connection with the conduct of the business of the Company.

3. The construction and acquisition of additions, extensions, betterments and improvements to and upon or in connection with any property or facilities, including rolling stock and equipment of all kinds, now or at any time hereafter owned by the Company and subject to the lien of this Mortgage.

4. The acquisition of real estate, either in fee or under perpetual easement, adjacent to the property of the Company and required for use in the conduct of its business, or for the use of any facility related to the business of the Company.

The Company shall have the right, from time to time, to secure the authentication and delivery of bonds in advance of making expenditures as aforesaid, upon depositing with the Trustee a sum in cash equal to the principal amount of the bonds of which authentication is requested, upon compliance by the Company with the provisions of Section 5 of Article One hereof and of paragraphs (1) and (4) of Section 3 of this Article Two. The moneys so deposited are herein sometimes called "deposited cash" and shall be held by the Trustee under and subject to the lien and as part of the security provided by this indenture until paid out from time to time as herein provided. The deposited cash shall from time to time be paid over to the Company on its written request (upon compliance by the Company with the provisions of Section 3 of this Article Two) to reimburse the Company for expenditures made after the date hereof and not more than five years prior to the date of such payment, for any of the purposes hereinabove in this Section 2 specified.



Bonds shall not be authenticated and delivered or deposited cash paid, pursuant to this Section 2, to reimburse the Company for expenditures for purposes herein specified to an amount in excess of 80% of such expenditures.

SECTION 3. Bonds shall be authenticated and delivered by the Trustee to reimburse the Company for expenditures made for purposes specified in Section 2 of this Article Two, and cash deposited under the provisions of Section 2 of this Article Two shall be paid out by the Trustee, upon and subject to the following conditions and restrictions, namely:

There shall in every case be delivered to the Trustee (in addition to a certified copy of any resolution of the Board of Directors required under the provisions of Section 5 of Article One hereof) the following instruments:

(1) A certified copy of a resolution of the Board of Directors of the Company requesting the Trustee to authenticate and deliver a specified amount of said bonds, or to pay out a specified amount of deposited cash to reimburse the Company for expenditures made by it after the date of this indenture and not more than five years prior to the date of such payment, for one or more of the purposes for which bonds may be issued hereunder.

(2) A certificate signed by the President or one of the Vice-Presidents, and also by the Comptroller, or Chief Accounting Officer or Treasurer of the Company, setting forth that said expenditures have been made on account of some one or more of said purposes, containing a general description of the work done and/or property acquired for which expenditures have been made, and for which bonds may be issued hereunder; also a statement that said expenditures were not in excess of the fair value of the property or rights in property so acquired or of such work, and that such expenditures

are properly chargeable to capital account, under instructions, classifications, rules and regulations of the Interstate Commerce Commission or other governmental body having jurisdiction of the subject matter, and that no portion of the expenditures so certified was made the basis of the issue of bonds or the payment of cash under any certificate previously furnished to the Trustee under this indenture; and a further statement as to whether such property is known or believed to be subject to any lien or charge, except undetermined liens or charges incidental to construction, acquisition, or current operation, prior or superior to the lien of this indenture and the character and amount of any such prior liens or charges, and that such property has become subject to the lien of this indenture as a first lien except as aforesaid.

(3) An opinion of the counsel of the Company that the purposes for which such expenditures were made are purposes for which bonds hereunder may be issued by the Company, and in case such expenditures have been made for property acquired or constructed that the Company has good title to the property acquired or constructed, that the property acquired or constructed is free from any mortgage or lien prior to the lien of this indenture, except those referred to in the certificate required by the foregoing paragraph (2), and that this indenture constitutes a first lien thereon except as aforesaid.

(4) In case of the authentication and delivery of bonds, a duly certified copy of an order made by the Interstate Commerce Commission and/or by any other commission, board, or other authority, the consent of which shall at the time be prescribed or required by law as a condition precedent to the lawful issue of bonds by the Company, authorizing and consenting to the issue of the bonds then requested to be authenticated and delivered, together with the opinion of counsel of the Company in writing that such authorization and consent

is sufficient for the purpose and that no other authorization by a regulatory body is required, and evidence satisfactory to the Trustee of the payment of any stamp tax or other tax required by law to be paid upon, or because of the authentication and delivery of, such bonds.

Upon compliance by the Company with the provisions of this Section 3 and the delivery to the Trustee of all the instruments hereinbefore in this Section 3 required to be delivered for the purpose of authorizing authentication and delivery of bonds or the payment of deposited cash under this Section 3, and in every case of the authentication of bonds, upon compliance with Section 5 of Article One hereof, the Trustee shall, upon the written order of the Company, signed by its President or one of its Vice-Presidents, and by its Treasurer or an Assistant Treasurer, authenticate and deliver the principal amount of bonds, or pay the amount of deposited cash, to which the Company shall be entitled under the provisions of Section 2 of this Article Two.

SECTION 4. Bonds may be issued by the Company under this indenture upon the retirement of an equal principal amount of bonds of any one or more series previously authenticated and delivered hereunder, upon the following conditions:

(a) Whenever bonds of any series previously authenticated and delivered hereunder shall have been acquired by the Company, or paid at maturity, or redeemed prior to maturity, (other than any bonds acquired, paid or redeemed through any sinking fund or bonds purchased pursuant to the provisions of paragraph (b) of Section 9 of Article Eight hereof), and surrendered to the Trustee and cancelled, together with all unmatured coupons, if any, thereto belonging, the Trustee shall authenticate and deliver bonds of any other series in an aggregate principal amount equal to the aggregate principal amount of

the bonds so acquired, paid or redeemed and surrendered and cancelled.

(b) Whenever bonds of any series at any time outstanding hereunder shall be about to mature, or shall have been or are to be called for redemption prior to maturity, (other than bonds called for redemption through any sinking fund), and upon the deposit with the Trustee, in trust, for the benefit of the holders of such bonds, of cash necessary to pay or redeem such bonds, together with interest thereon to the maturity or redemption date, and, in case of redemption, upon receipt by the Trustee of evidence satisfactory to it that such bonds have been duly called for redemption on said redemption date, or that provision for such call satisfactory to the Trustee has been made, the Trustee shall authenticate and deliver bonds of any other series in an aggregate principal amount equal to the aggregate principal amount of the bonds about to mature or which shall have been or are to be called for redemption. The Trustee shall apply the cash deposited with it to the payment of the bonds and the interest due thereon.

(c) Upon any application for authentication and delivery of bonds under this section, the Company shall deliver to the Trustee all instruments required by Section 5 of Article One hereof and by Paragraphs (1) and (4) of Section 3 of this Article Two.

### ARTICLE THREE.

#### REDEMPTION OF BONDS.

SECTION 1. The bonds of Series A shall be redeemable, at the option of the Company, as a whole at any time or in part from time to time, upon notice given as provided in Section 3 of this Article Three, upon payment of an amount equal to 103 $\frac{3}{8}$ % of the principal

amount thereof if redeemed on or before December 1, 1957; at 102½% of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at 101¾% of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at 100¾% of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date.

SECTION 2. The redemption provisions of any series of bonds other than Series A may be prescribed by the Board of Directors prior to the issue thereof as provided in Section 5 of Article One hereof and set out in an indenture supplemental hereto, executed pursuant to Article Eleven hereof.

Sections 3 to 6, inclusive, of this Article Three shall, so far as applicable, apply to the redemption of bonds of Series A and also to the redemption of bonds of any other series, except to the extent that different redemption provisions may be prescribed for any such other series in any such supplemental indenture.

SECTION 3. In case the Company shall elect to exercise its option to pay and redeem all or any part of the bonds of a particular series, it shall give notice thereof by publication in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, once a week for four successive weeks on any business day or days of the week, the first publication to be not less than 45 days prior to the designated redemption date. Such notice shall specify the series of the bonds to be redeemed, the redemption price thereof, and, in the case of partial redemption, the serial letter and numbers of the bonds

to be redeemed, and shall state that interest on such bonds will cease to accrue on and after the designated redemption date, and shall direct that the bonds called for redemption be presented for payment and redemption at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

The Company shall, in addition to the notice hereinabove provided for, cause a written or printed copy of such notice to be mailed, postage prepaid, not less than 45 days prior to said redemption date, to each registered owner of any such bond called for redemption (in whole or in part) at the address furnished by such owner to the Company, but such mailing shall not be a condition precedent to such redemption.

In case the Company shall have elected to redeem only a part of the bonds of any series, it shall, in advance of the day fixed for such first publication of notice, notify the Trustee of its election to redeem, and the Trustee shall proceed to select from all the bonds of such series outstanding the aggregate principal amount of bonds to be redeemed. Such selection shall be made either (a) in accordance with the provisions of any agreement duly executed by the registered owners of all the outstanding bonds of such series (if at the time of selection all such outstanding bonds shall be registered bonds or coupon bonds registered as to principal) and filed with the Trustee on or prior to such time of selection, or (b) if the provisions of (a) shall not be applicable, by lot from the numbers of all the coupon bonds of such series outstanding, and the coupon bond numbers endorsed upon registered bonds outstanding.

Notice having been given as hereinabove provided, the bonds (or portions thereof) so called for redemption shall on the day designated in such notice become due and payable at the redemption price prescribed in the bonds and from and after the date of redemption so designated interest on the bonds (or portions thereof) so called for redemption shall cease, and on presentation

thereof in accordance with said notice at the office or agency of the Company in the Borough of Manhattan, City of New York, accompanied in the case of coupon bonds by all coupons maturing after said redemption date, such bonds shall be paid by the Company as aforesaid.

If there shall be drawn for redemption part of a registered bond of a denomination larger than \$1,000 (a) the Company shall execute and the Trustee shall authenticate and deliver, without charge to the registered owner thereof, at his option, either coupon bonds or registered bonds of the same series (but only of authorized denominations), for the unredeemed balance of the principal amount of the registered bond surrendered; or (b) at the option of the registered owner thereof, such bond may be presented to the Company at its office or agency in the Borough of Manhattan, City of New York, or to the Trustee, for the notation thereon of the payment of the portion of the principal of such bond so called for redemption.

SECTION 4. Unless default shall be made in the payment after presentation of the bonds called for redemption as aforesaid, all interest shall cease to accrue upon such bonds after the date of redemption specified in the notice required in Section 3 of this Article Three, and coupons for interest maturing subsequent to that date shall be and become void.

SECTION 5. The sum so due for principal and premium, if any, of each coupon bond called for redemption shall be payable to the bearer of such coupon bond unless it shall have been registered as to principal, and if it shall have been registered, then such payment shall be made to the registered holder of such registered coupon bond, but in no case shall the Company be required to make payment except upon surrender of such bond and of all

coupons for interest thereon not due at the date of redemption designated in such notice. All interest which shall have matured on coupon bonds on or prior to the date of redemption designated in such notice shall be payable, but without interest thereon, to the respective bearers of such coupons. The sum so payable upon registered bonds without coupons upon presentation and surrender thereof for principal and premium, if any, and for such accrued interest from the maturity of the last interest installment which shall have been paid prior to the date of redemption designated in such notice shall be paid to or upon the order of the registered holders of such bonds, under duly executed instruments of assignment if required by the Company, but in each case only upon surrender of the bonds.

SECTION 6. On the deposit by the Company with the Trustee of the amount necessary to pay off and redeem bonds secured by this Indenture which have been duly called for redemption, or which the Company shall by notice to the Trustee have elected to pay off and redeem, including interest thereon to the date designated for redemption, together with proof that notice as hercinbefore provided has been given of redemption of such bonds or that arrangements have been made insuring to the satisfaction of the Trustee that such notice will be so given, such bonds shall not be deemed outstanding and shall have no further rights under this indenture except the right to receive, out of such moneys deposited and held by the Trustee, the redemption price thereof and the interest thereon to the date designated for redemption. Subject to the provisions of Section 1 of Article Five, the Trustee shall hold the moneys so deposited with it in trust for the holders and registered owners of the bonds so called or to be called for redemption, and shall apply such moneys to the payment of such bonds at the redemption rate with accrued interest to the interest date designated for redemption.



## ARTICLE FOUR.

## SINKING FUNDS.

SECTION 1. The Company covenants and agrees to provide a sinking fund for the retirement of the bonds of Series A and for such purpose the Company covenants and agrees that on or before November 25th in each year, commencing with the year 1948, and to and including the year 1976, the Company will pay to the Trustee, as hereinafter provided, an amount equal to one-half of one per cent of the maximum principal amount of bonds of Series A theretofore at any time outstanding.

Such payments into the sinking fund for the bonds of Series A may be made, in whole or in part, by the deposit of cash or by the delivery of bonds of Series A, which bonds are to be received as the equivalent of cash at the principal amount thereof (such payments and deliveries being hereinafter sometimes termed "Sinking Fund payments"); provided, however, that no bonds of Series A shall be delivered to the Trustee to satisfy the provisions of this Section 1, unless the Company shall deliver to the Trustee a certificate that such bonds so delivered include only bonds which have been bona fide sold or otherwise negotiated by the Company and repurchased.

Cash so deposited shall be applied (as nearly as may be to exhaust the same) to the redemption of bonds of Series A on the next succeeding December 1 interest payment date at the sinking fund redemption price equal to 101 $\frac{3}{8}$ % of the principal amount thereof if redeemed on or before December 1, 1957; at 101% of the principal amount thereof if redeemed thereafter and on or before December 1, 1963; at 100 $\frac{5}{8}$ % of the principal amount thereof if redeemed thereafter and on or before December 1, 1969; at 100 $\frac{3}{8}$ % of the principal amount thereof if redeemed thereafter and on or before December 1, 1975; and at the principal amount thereof if

redeemed thereafter; in each case together with unpaid accrued interest on the principal amount thereof to the redemption date. On or before such redemption date the Company shall pay to the Trustee an amount equal to unpaid accrued interest on bonds of Series A to be redeemed for the sinking fund for said bonds to the date of such redemption, it being the intention that such interest shall not be charged against the sinking fund.

SECTION 2. Notice of redemption for the sinking fund of bonds of Series A shall be given by the Company in the same form and manner and with the same effect as provided in Section 1 of Article Three hereof with respect to partial redemption of bonds of Series A at the option of the Company, except that such notice shall also state that the bonds of Series A so selected have been called for redemption for sinking fund purposes.

SECTION 3. At least 60 days before December 1st in each year, commencing with the year 1948 and to and including the year 1976, the Company shall give to the Trustee written notice stating whether the Company intends to make the annual Sinking Fund payment for November 25th in such year by deposit of cash or by delivery of bonds of Series A, and if partly by deposit of cash and partly by delivery of bonds of Series A, then the respective amounts thereof. Such written notice shall be accompanied by the bonds of Series A to be so delivered as specified therein; coupon bonds so delivered to be accompanied by all unmatured coupons appertaining thereto and coupon bonds registered as to principal and registered bonds without coupons to be accompanied by duly executed instruments of assignment and transfer. Thereupon if any bonds of Series A are to be redeemed for the Sinking Fund, the Trustee, in time for the Company to give the notice herein provided for, shall determine the particular bonds to be called for redemp-

tion by drawing by lot (from the serial numbers of all coupon bonds of Series A then outstanding and from the coupon bonds serial numbers reserved against outstanding registered bonds of Series A without coupons) the numbers of such bonds to be redeemed, in any manner deemed by the Trustee to be fair, and the notice of call for redemption shall in that case specify the numbers of the bonds or portions of the bonds to be redeemed.

Where all of the outstanding bonds of Series A are registered Bonds without coupons or coupon bonds registered as to principal, the holders of all such bonds may file with the Trustee a written instrument, in form satisfactory to the Trustee, consenting to a method of determination of the bonds or parts of the bonds to be redeemed or consenting to redemption on a basis otherwise than by lot and to be stated therein and thereupon the Trustee shall determine the bonds or parts of bonds of Series A to be redeemed in accordance with such instrument.

If there shall be drawn for redemption for the sinking fund part of a registered bond of Series A of a denomination larger than \$1,000 (a) the Company shall execute and the Trustee shall authenticate and deliver, without charge to the registered owner thereof, at his option, either coupon bonds or registered bonds of said series (but only of authorized denominations), for the unredeemed balance of the principal amount of the registered bond surrendered; or (b) at the option of the registered owner thereof, such bond may be presented to the Company at its office or agency in the Borough of Manhattan, City of New York, or to the Trustee, for the notation thereon of the payment of the portion of the principal of such bond so called for redemption.

**SECTION 4.** Any moneys at any time held by the Trustee for the sinking fund for the bonds of Series A (until payable to the holders of particular bonds drawn for redemption) shall be held in trust for all holders of bonds of Series A at the time outstanding. The Trustee shall, if

permitted by law, allow interest on all sinking fund moneys from time to time held at the same rate as is at the time allowed by it on other similar deposits or at such other rate as may be from time to time agreed upon with the Company. All interest so allowed shall, from time to time, so long as the Company shall not be in default under the provisions hereof, be paid over by the Trustee to the Company.

SECTION 5. All bonds of Series A delivered to the Trustee by the Company and all bonds of Series A redeemed and paid pursuant to the provisions of this Article, together with all coupons appurtenant thereto, shall be cancelled and cremated by the Trustee, and the Trustee shall deliver a certificate of such cremation to the Company, and no bonds shall be issued in lieu thereof or in substitution therefor.

SECTION 6. Any amounts payable into any sinking fund for any series of bonds other than Series A shall be applied as may be provided in the supplemental indenture creating such series.

## ARTICLE FIVE.

### DEFEASANCE.

SECTION 1. If, when all bonds hereby secured shall become due and payable either on maturity or by declaration or otherwise, the Company shall pay or cause to be paid the whole amount of the principal and premium, if any, and interest due or accrued on all of the bonds hereby secured and outstanding, or if the Company shall have deposited with the Trustee for the payment of all of the bonds and coupons then outstanding the entire amount then or thereafter due thereon to maturity, or shall deliver to the Trustee for cancellation all bonds and coupons issued hereunder and not theretofore cancelled, or if at any time the Company shall have caused notice of

redemption of all outstanding bonds to be duly published as provided herein, or shall have made provision satisfactory to the Trustee for the publication of such notice, and shall have paid to the Trustee a sum equal to the redemption price of all outstanding bonds applicable on the date fixed for such redemption and if in any such case the Company also shall pay or cause to be paid all other sums payable hereunder by the Company, including reasonable compensation to the Trustees and their agents and attorneys and their reasonable expenses, then and in that case the bonds and coupons appertaining thereto shall be deemed no longer outstanding for any purpose except to entitle the holders to receive payment of the principal, premium, if any, and accrued interest, respectively, and all the railroads, depots, terminal and other property rights and interests hereby conveyed shall revert to the Company or to whoever shall be entitled thereto, and the estate, right, title and interest of the Trustees therein shall thereupon cease, determine and become void, and this indenture shall cease to be of further effect, and the Trustees shall cancel and satisfy this indenture and, at the request of the Company, shall enter satisfaction of this indenture on the public records and deliver to the Company all property then held by the Trustees under the provisions hereof. Subject to the provisions of the next succeeding sentence, all moneys deposited with the Trustee for payment of principal, premium or interest of bonds hereunder shall be held in trust for account of the holders of the bonds and coupons, if any, in respect of which such moneys shall have been deposited, without liability of the Trustee for payment of interest thereon, and shall be paid to such holders respectively upon presentation and surrender of said bonds, with all unmatured coupons, if any, appertaining thereto, and such coupons as the case may be. Any moneys deposited with the Trustee for payment of principal, premium or interest of bonds hereunder and not applied to the payment of bonds and coupons as afore-

said within a period of six (6) years after the right of any bondholder thereto has accrued shall be repaid to the Company by the Trustee on written demand, and thereupon all liability of the Trustee with respect to such moneys shall cease, and the holders of bonds and coupons shall thereafter be entitled to look only to the Company for the payment thereof.

## ARTICLE SIX.

### REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. No coupon or claim for interest appertaining to any bond issued hereunder which in any way, at or after maturity, shall have been transferred or pledged, separate and apart from the bond to which it appertains, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of or from this indenture, except after the prior payment in full of the principal of all the bonds and of all coupons and claims for interest not so transferred or pledged.

SECTION 2. In case any one or more of the following events (herein called "events of default") shall happen and be continuing:

(a) default shall be made in the payment of any interest on any bond secured by this indenture, and any such default shall have continued for a period of 60 days; or

(b) default shall be made in the payment of the principal of any bond hereby secured when the same shall become due and payable, whether at maturity, by call for redemption, by declaration as authorized by this indenture, or otherwise; or

(c) default shall be made in any payment to be made into any sinking fund created for the bonds of any series issued hereunder, and any such default shall have continued for a period of 60 days; or

(d) default shall be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Company, and any such default shall have continued for a period of 90 days after written notice to the Company thereof from the Trustee, which notice the Trustee shall give on written request from the holders of 10% in principal amount of the bonds hereby secured and then outstanding; or

(e) if an application shall be made for the appointment of a receiver or a trustee of all or any substantial part of the property of the Company or for a reorganization of the Company under the provisions of the Federal Bankruptcy Act or any other law, federal or state, or to invoke for the Company the advantage of any law in aid of debtors, and if either (1) such application shall be made, consented to, or acquiesced in, by the Company, or (2) a receiver or a trustee shall be appointed by an order or decree of a court of competent jurisdiction and such order or decree shall continue unstayed on appeal or otherwise and in effect for a period of 60 days;

then, and in each and every such case, the Trustees, personally, or by agents or attorneys, may enter into and upon all or any part of the railroad, terminals and terminal property, rolling stock, property and premises, rights, interests and franchises subject to this indenture, and each and every part thereof, and may exclude the Company, its agents and servants, wholly therefrom, and having and holding the same may use, operate, manage and control the property of the Company, regulate the tolls for the transportation of passengers and freight thereon, and for the use of said terminal property, and conduct the business thereof, either personally or by superintendents, managers, receivers, agents and servants or attorneys, to the best

advantage of the holders of the bonds hereby secured; and upon every such entry the Trustees, at the expense of the trust estate, from time to time, either by purchase, repair or construction, may maintain and restore, and insure or keep insured, the rolling stock, tools and machinery and other property, buildings, bridges and structures erected or provided for use in connection with said terminal property embraced in the mortgaged premises, and whereof it shall become possessed, as aforesaid, and likewise from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals and replacements and useful alterations, additions, betterments and improvements thereto and thereon as to them may seem judicious; and, in such case, the Trustees shall have the right to manage the mortgaged premises and to carry on the business thereof and exercise in respect thereof all rights and powers of the Company, either in the name of the Company or otherwise, as the Trustees shall deem best; and the Trustees shall be entitled to collect and to receive all tolls, earnings, income, rents, issues and profits of the same and every part thereof; and after deducting the expenses of operating said terminal property and premises, and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance, and prior to other proper liens or charges upon the said premises and property, or any part thereof, as well as just and reasonable compensation for their own services, and for all agents, counsel, attorneys, clerks, servants and other employees by them properly engaged and employed, the Trustees shall apply the moneys arising as aforesaid as follows:

*First.* In case the principal of none of the bonds hereby secured and then outstanding shall have become due at maturity or by declaration or otherwise,



to the payment first of the interest in default, in the order of the maturity of the installments of such interest, with interest thereon at the respective rates carried by the bonds; such payments to be made ratably to the persons entitled thereto without discrimination or preference, except as specified in Section 2 of Article Ten hereof.

*Second.* In case the principal of any or all of the bonds hereby secured shall have become due at maturity, by declaration or otherwise, first to the payment of interest in default (with interest on the overdue installments thereof at the respective rates carried by the bonds), in the order of the maturity of the installments, and then to the payment of the principal and premium, if any, on the bonds hereby secured which have become due as aforesaid; in every instance such payments to be made ratably to the persons entitled to such payment, except as specified in Section 1 of this Article Six and Section 2 of Article Ten hereof.

Upon the payment in full of whatever may be due for such principal and interest or payable for other purposes, the premises shall be returned to the Company, or to whosoever shall be lawfully entitled thereto.

SECTION 3. Upon the happening of an event of default as defined in Section 2 of this Article Six, the Trustee may, and upon the written request of the holders of not less than a 25% in principal amount of the bonds hereby secured and then outstanding the Trustee shall, by notice in writing delivered to the Company, declare the principal of all bonds hereby secured and then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in the bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that, if at any time after the principal of the bonds shall have been so declared due and payable, and before any sale of the mortgaged premises shall have been made, all arrears of interest upon all bonds, with interest on overdue installments of interest at the respective rates carried by the bonds, and the expenses of the Trustees and all other sums which shall have become due and payable by the Company hereunder, other than the principal of the bonds which shall not have matured according to their terms, shall either be paid by or on behalf of the Company or be collected out of the mortgaged premises, and if all other then existing events of default shall have been cured, then and in every such case the holders of a majority in principal amount of the bonds hereby secured then outstanding, by written notice to the Company and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

SECTION 4. Upon the happening of an event of default as defined in Section 2 of this Article Six, then and in each and every such case the Trustees may in their discretion, with or without entry and with or without declaring the principal of the bonds due, personally or by attorney, proceed to sell all and singular the mortgaged premises and properties, and all right, title, interest, claim and demand therein and right of redemption thereof, to the highest and best bidder, or, in the event such sale shall be made in parcels, to the respective highest and best bidders. Such sale shall be made at public auction in the City of Jacksonville, Florida, or at such other place or places and at such time or times and upon such terms as may be fixed and specified in the notice of sale to be given as provided in Section 9 of this Article Six or as may be required by law.

SECTION 5. Upon the happening of an event of default as defined in Section 2 of this Article Six, then and in each and every such case the Trustees may, and upon the written request of the holders of not less than 25% in principal amount of the bonds then outstanding and upon being furnished with indemnity to the satisfaction of the Trustee, the Trustees shall, at their option in respect to the remedy or remedies to be pursued, with or without entry and with or without declaring the principal of the bonds due, proceed to protect and enforce their rights and the rights of the bondholders under this indenture by suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, for interest, or for principal and interest or both, or for the enforcement of any other appropriate legal or equitable remedy as the Trustees shall deem most effectual in support of any of their rights or duties hereunder.

SECTION 6. Upon filing a bill in equity or upon commencement of other judicial proceedings by the Trustees to enforce any right under this indenture, the Trustees shall be entitled to exercise the right of entry herein conferred and also any and all rights and powers herein conferred and provided to be exercised by the Trustees upon the occurrence and continuance of any event of default as hereinbefore provided; and, as a matter of right, the Trustees shall be entitled to the appointment of a receiver or receivers of the mortgaged properties, real and personal, and of the tolls, earnings, revenues, rents, issues, profits and other income thereof, with such powers as the court or courts making such appointment shall confer, and shall be entitled to the application by any such receiver or receivers of the net income for the benefit of the holders of the bonds issued hereunder, in accordance with the trusts herein declared.

SECTION 7. In case the Trustees shall have proceeded to enforce any right under this indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, then and in every such case the Company and the Trustees shall severally and respectively be restored to their former positions and rights hereunder in respect to the mortgaged premises, and all rights, remedies and powers of the Trustees shall continue as though no such proceedings had been taken.

SECTION 8. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the property hereby mortgaged shall be sold in one parcel as an entirety, including all the rights, titles, estates, buildings, equipment, franchises, contracts and other real and personal property of every name and nature, unless (1) the holders of a majority in principal amount of the bonds hereby secured, then outstanding, shall in writing request the Trustees to cause said premises to be sold in parcels, in which case the sale shall be made in such parcels as shall be specified in such request, or unless (2) the Trustees in their discretion determine that such sale as an entirety is impracticable or undesirable in the interest of the bondholders by reason of some statute or other cause.

SECTION 9. Notice of any sale pursuant to any provision of this indenture shall state the time when and place where the same is to be made, shall contain a brief general description of the property to be sold and of the terms of sale and shall be published in a newspaper printed in the English language and customarily published on each business day and of general circulation in the City of Jacksonville, Florida, and in a like newspaper customarily published on each business day and of gen-

eral circulation in the Borough of Manhattan, City of New York, once in each week for four consecutive calendar weeks (in each case on any business day of the week) next preceding the date of sale. Notice of such sale shall also be published and given in such other places and at such times and in such manner and contain such provisions as may be required to comply with any requirements of statute or rule or order of court.

SECTION 10. The Trustees from time to time may adjourn any sale to be made by them under the provisions of this indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication they may make such sale at the time and place to which the same shall have been so adjourned.

SECTION 11. Upon the completion of any sale or sales under this indenture, the Trustees shall execute and deliver or cause to be delivered to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, of conveyance, sale and transfer of the property and franchises sold, or shall execute and deliver in conjunction with the deed or deeds of the court officer conducting such sale a proper release of such properties. And the Trustees and their successors are hereby appointed the true and lawful attorneys, irrevocable, of the Company, in its name and stead to make all necessary deeds of conveyance, sale and transfer of the property thus sold; and for that purpose may execute all necessary acts of conveyance, assignment and transfer and substitute one or more persons or corporations with like power, the Company hereby ratifying and confirming all that its said attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, the Company shall, if so requested by the Trustees, join in the execution and delivery of such deeds of conveyance, assignment and transfer.

SECTION 12. Any sale or sales made under or by virtue of this indenture, whether under the power of sale herein granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company of, in and to the properties and premises sold, and shall be a perpetual bar, both at law and in equity, against the Company, its successors and assigns, and against any and all persons claiming or who may claim the premises sold, or any part thereof, from, through or under the Company, its successors or assigns.

SECTION 13. The personal property and chattels conveyed or intended to be conveyed to the Trustees by or pursuant to this indenture (other than stocks, bonds and other securities and claims, if any, which may become subject to the lien hereof) shall be deemed real estate, and shall be held and taken to be fixtures and appurtenances of the lines of railroad and terminal facilities, and part thereof, and are to be used and, in case of sale hereunder, are to be sold therewith and in the same manner and not separate therefrom, except as herein otherwise provided.

SECTION 14. The receipt of the Trustees for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 15. In case of a sale under any of the foregoing provisions of this Article Six, whether made under the power of sale herein granted or pursuant to judicial proceedings, the principal of all bonds, if not previously due, shall immediately thereupon become due and payable, anything in the bonds or in this indenture to the contrary notwithstanding.

SECTION 16. The proceeds of any sale, judgment or decree, together with any other sums held by the Trustees as part of the trust estate, shall be applied as follows:

*First:* To the payment of the costs and expenses of the sale, of the reasonable compensation to the Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances (including taxes, cost of insurance, searches and abstracts of title and continuations thereof) reasonably and properly made or incurred by the Trustees in managing, maintaining or caring for the property hereby conveyed or intended so to be, or in performing or executing any of their duties or powers hereunder, and to the payment of all taxes, assessments or liens prior to the lien of this mortgage, except any taxes, assessments or other lien subject to which such sale shall have been made.

*Second:* To the payment of the whole amount then owing and unpaid upon the bonds hereby secured and then outstanding for principal, premium, if any, and interest, with interest on the overdue principal and interest from the respective dates on which the same became payable at the respective rates carried by the bonds; and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the bonds, then to the payment of such principal, premium, if any, and interest without preference or priority of one bond over another or of principal and

premium over interest, or of interest over principal and premium, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal, premium, if any, and accrued and unpaid interest, subject, however, to the provisions of Section 1 of this Article Six and Section 2 of Article Ten hereof.

*Third:* To the payment of the surplus, if any, to the Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 17. In case of any sale hereunder, the Trustees or any bondholder or bondholders may bid for and purchase the property, and any purchaser for the purpose of making payment for the property purchased upon presentation of any of the bonds, or interest coupons secured hereby, shall be entitled to be credited on account of the purchase price with the sums which would, upon a proper distribution and accounting of the proceeds of the sale (after making proper allowance for the proportion of the total purchase price to be paid in cash to pay the costs and expenses of the sale), be equal to the distributive share payable out of such proceeds to the holder of the bonds and coupons so presented, which amount so credited shall be stamped or endorsed on such bonds or coupons as paid thereon.

SECTION 18. The Trustees are hereby irrevocably appointed (and the successive respective holders of bonds and coupons issued hereunder, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustees) the true and lawful attorneys-in-fact of the respective holders of the bonds and coupons issued hereunder, with authority to make and file, irrespective of whether the bonds or any of them are in



default as to payment of principal or interest, in the respective names of the holders of the bonds or coupons, or in behalf of all holders of the bonds or coupons as a class, any proof of debt, amendment to proof of debt, petition or other document; to execute any other papers and documents and to do and perform any and all acts and things for and in behalf of the respective holders of the bonds or coupons, or in behalf of all such holders as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the claims of the holders of the bonds or coupons allowed in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings relative to the Company or its creditors or affecting its property; and, except to the extent that holders of bonds or coupons shall have filed individual claims in any such proceeding on their own behalf, to receive payment of or on account of such claim, and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by such holder to make such payments to the Trustee; provided, that in no case shall the Trustees have any right to accept or consent to any plan of reorganization or by other action of any character in any such proceeding to waive or change in any way any right of any bondholder even though it may otherwise be entitled so to do under any present or future law, all such power or authorization being hereby expressly denied. The Trustees shall have full power of substitution and delegation in respect of any such powers.

SECTION 19. In case the Company shall default in the payment of the principal of or interest on any of the bonds when and as such payments become due, whether at maturity, or by declaration, or otherwise, and such default shall be continued for the period of grace specified with respect to such defaults in Section 2 of this Article Six, then and in every such case the Company,

upon demand of the Trustees, will pay to the Trustees for the benefit of the holders of the bonds and coupons then outstanding the whole amount which then shall have become due and payable on all such bonds for interest or principal, or both, as the case may be, including interest on overdue principal and installments of interest from the respective dates when the same became payable at the respective rates carried by the bonds. In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustees, in their own name and as trustees of an express trust, shall be entitled and empowered to, and upon the request in writing of the holders of not less than 25% in principal amount of the bonds then outstanding and upon being furnished with indemnity to the satisfaction of the Trustee shall, institute such action or proceedings at law or in equity, as they may be advised by counsel, for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company, and collect the moneys adjudged or decreed to be payable out of the property of the Company wherever situated, in the manner provided by law. Any moneys thus collected by the Trustees under this Section 19 shall be applied by the Trustees as provided in Section 16 of this Article Six.

SECTION 20. No remedy herein conferred upon or reserved to the Trustees or to the holders of the bonds hereby secured is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

## ARTICLE SEVEN.

BONDHOLDERS' ACTS, HOLDINGS AND APPARENT  
AUTHORITY.

SECTION 1. Any demand, request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such demand, request or other instrument, or of the writing appointing any such agent, and of the ownership by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this indenture, and shall be conclusive in favor of the Trustees or of the Company with regard to due action taken by the Trustees or by the Company under such instrument, if such proof be made in the following manner:

The fact and date of the execution by any person of any such demand, request or other instrument may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the place of such execution, that the person signing such demand, request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

The fact of the holding by any bondholder of coupon bonds transferable by delivery, and the principal amounts, and issue numbers and series of such bonds, and the date of his holding the same may be proved by a certificate executed by any trust company, bank, bankers or other depository (wherever situated), satisfactory to the Trustee, showing that at the date therein mentioned such person had on deposit with such depository the bonds described in

such certificate. For all purposes of any proceeding pursuant to this indenture on the faith of or in accordance with any such request, demand or other instrument purporting to be executed by holders of bonds for the enforcement hereof or otherwise, such person shall be deemed to continue the holder of such bonds until the Trustees shall have received notice in writing to the contrary.

SECTION 2. The ownership of coupon bonds registered as to principal or of registered bonds without coupons shall be proved by the bond registration books.

#### ARTICLE EIGHT.

##### POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

SECTION 1. So long as no event of default shall have happened and be continuing, the Company

(a) shall be suffered and permitted to retain actual possession of the mortgaged premises and to manage, operate and use the same and every part thereof and to collect, receive, take, use and dispose of the tolls, earnings, revenues, rents, issues, profits and other income thereof;

(b) may sell or otherwise dispose of, free from the lien of this indenture and without any action by the Trustees, any portable machinery, furniture, tools, implements and other portable personal property, including among others automobiles and trucks, not specifically mentioned in Section 3 of this Article Eight and which the Company is not entitled to dispose of pursuant to the reservations contained in the granting clauses hereof, which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous to retain for use upon or in connection with the mort-

gaged premises, provided that the same shall be replaced by new machinery, furniture, tools, implements or other portable personal property, including among others automobiles and trucks, not necessarily of the same character or intended for the same use, but of value at least equal to the value of the property sold or otherwise disposed of.

SECTION 2. So long as no event of default shall have happened and be continuing, the Company may from time to time sell or exchange any of the lines of railroad, rights-of-way or other real property or interests therein constituting part of the mortgaged premises; provided that

(a) the property so sold or exchanged is no longer necessary or desirable for the operation, maintenance or use of the terminal or terminal facilities described in the granting clauses hereof;

(b) either the continuity of the system of railroad tracks will not be broken or the operation of the terminal or terminal facilities of the Company will not be impaired by such sale or exchange; and

(c) the value of the security afforded by this indenture will not be impaired or prejudiced by such sale or exchange.

Unless an event of default as defined in Section 2 of Article Six hereof shall have occurred and be continuing to the knowledge of the Trustees, the Trustees shall release from the lien of this indenture the property so sold or exchanged upon delivery to the Trustee of the documents provided for in Section 8 of this Article Eight.

SECTION 3. So long as no event of default shall have happened and be continuing, the Company may from time to time sell or exchange any portion of the locomotives, engines, tenders, cars, rolling stock, signals and

interlocking, spur and yard tracks, work equipment, shop machinery and equipment and engine house equipment and parts or appurtenances thereof and also any other property not specifically mentioned in Section 2 of this Article Eight which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or desirable to retain for use upon or in connection with the mortgaged premises. Unless an event of default as defined in Section 2 of Article Six hereof shall have occurred and be continuing to the knowledge of the Trustees, the Trustees shall release the property so sold or exchanged upon delivery to the Trustee of the documents provided for in Section 8 of this Article Eight.

SECTION 4. The Company from time to time pursuant to authority of law or under agreement with public authority may surrender any franchise, or portion thereof, and any right-of-way structures or trackage thereon which are to be or shall have been abandoned or removed, and may convey to the United States of America or to the State of Florida or other public body real estate for highway or other public purposes; provided that, in the opinion of the Board of Directors of the Company, evidenced by a resolution thereof,

(a) the property so surrendered or abandoned is no longer necessary or desirable for the operation or use of the terminal or terminal facilities described in the granting clauses hereof;

(b) either the continuity of the system of railroad tracks will not be broken or the operation of the terminal or terminal facilities of the Company will not be impaired by such surrender or abandonment;

(c) the value of the security afforded by this indenture will not be impaired or prejudiced by such surrender or abandonment; and

(d) in case of any such conveyance for public purposes, the benefits to the mortgaged premises to be derived from such conveyance are at least equivalent to the value of the property so conveyed.

The Trustees shall release from the lien of this indenture the property so surrendered, abandoned or removed upon delivery to the Trustee of the documents provided in Section 8 of this Article Eight.

SECTION 5. The Company may from time to time make changes in the location of parts of the mortgaged premises, and, without restriction, may relocate spur and sidetracks, station buildings, roadway buildings and other buildings and structures, or parts or appurtenances thereof, provided either the continuity of the system of railroad tracks described in the granting clauses hereof will not be broken or the operation of the terminal or terminal facilities of the Company will not be impaired by such relocation. The lien of this indenture shall attach to any relocated parts of the mortgaged premises.

SECTION 6. Any new property acquired by the Company to take the place of any property sold, exchanged or otherwise disposed of shall, without further conveyance, become and be subject to the lien of this indenture as fully as if specifically mortgaged by this indenture; but, if requested by the Trustee, the Company shall convey the same to the Trustees by appropriate deeds, upon the trusts and for the purposes of this indenture.

SECTION 7. In no event shall any purchaser or purchasers of any property sold or exchanged, or purporting to be sold or exchanged, under any provision of this Article Eight be required to inquire as to compliance with the terms hereof, or to see to the application of the purchase money or any property delivered in exchange.

SECTION 8. The Trustees shall not be required to release any property from the lien of this indenture pursuant to the provisions of this Article Eight unless and until there shall have been delivered to the Trustee

(a) a resolution of the Board of Directors of the Company authorizing the sale or exchange of the property to be sold or exchanged and requesting the release thereof; provided, however, that no such resolution shall be required if the fair value of the property to be released, as shown by the certificate referred to in paragraph (b) of this Section 8, is less than \$5,000;

(b) a certificate of the Company, executed as provided in Section 11 of this Article Eight, setting forth

(1) a description of the property the release of which is requested;

(2) the selling price, if any, of the property to be released or a description and the fair value of the property, if any, to be received in exchange therefor;

(3) that the fair value of the property to be released is not greater than the price at which it is to be sold or the fair value of the property to be received in exchange therefor, but such statement of value shall not be required in a case where the property to be released is not to be sold or exchanged but the release thereof is requested for the purpose of obtaining an award made upon the taking of such property by eminent domain or in a case where such release is requested pursuant to the provisions of Section 4 of this Article Eight;

(4) that the property, if any, to be received in exchange for the property to be released is or will



be upon consummation of the transaction subject to the lien of this indenture as a first lien thereon, subject only to the lien of current taxes not then due and other specified encumbrances not deemed material;

(5) such other matters as it shall be necessary to establish in order to show that such release is authorized under the provisions and restrictions of this Article Eight;

(6) if no resolution is required to be furnished pursuant to paragraph (a) of this Section 8, that such release is requested; and

(7) that the Company is not, so far as is known to the officers signing such certificate, in default with respect to the performance or observance of any covenants or agreement in this indenture;

(c) an opinion of counsel (who may be counsel for the Company) satisfactory to the Trustee to the effect that

(1) the release requested is authorized by the provisions of this Article Eight;

(2) the resolution, if any, and certificate furnished to the Trustee in connection therewith are in compliance with the provisions of this Section 8;

(3) the Company has good title to the property, if any, to be received in exchange for the property to be released, or upon such exchange will have good title, and such property has been or will be upon consummation of the transaction subjected to the lien of this indenture as a first lien thereon, subject only to the lien of current taxes not then due and other specified encumbrances not deemed material; and

(4) the approval of all governmental authorities, if any, having jurisdiction of the transaction has been obtained, in which event the Trustee shall also be furnished with a certified copy of the order or orders relating thereto of the Interstate Commerce Commission or other governmental authority.

SECTION 9. The proceeds of any and all sales under Section 2, 3 or 4 of this Article Eight and all moneys received as compensation for any part of the mortgaged premises taken by the exercise of the power of eminent domain or upon the surrender or abandonment of any property shall be deposited with and paid to the Trustee to be held by it for the benefit of the holders of the bonds, and to be used or paid by it for their benefit as hereinafter provided. So long as no event of default shall have happened and be continuing to the knowledge of the Trustee, any such moneys held by the Trustee may from time to time, at the election of the Company,

(a) be paid over by the Trustee to the Company to reimburse the Company for expenditures not otherwise reimbursed made after the date hereof, and not more than five years prior to the date of the certificate required by paragraph (a) of Section 10 of this Article Eight, for additions, betterments or improvements to the mortgaged premises chargeable to accounts classified as investments under the accounting regulations of the Interstate Commerce Commission or other governmental authority having similar jurisdiction at the time in force or for the acquisition of property chargeable to such accounts and necessary or desirable for use upon or in connection with the mortgaged premises and to be subject to the lien of this indenture as a first lien thereon; or

(b) if not applied in accordance with subdivision (a) of this Section, shall be used, if and when

requested by the Company, for the purchase of bonds then outstanding hereunder (with all unmatured coupons appertaining thereto, if any, attached) upon tender or in the open market, with or without advertisement, in such manner, at such times and at such prices as the Trustee in its discretion may determine, but not exceeding the redemption price (exclusive of accrued interest) of such bonds in effect on the interest payment date next succeeding the day of such purchase if such bonds are redeemable, or, if not redeemable, not exceeding the principal amount thereof. Accrued interest and brokerage commissions, if any, in connection with any such purchase shall be paid by the Company.

All bonds purchased pursuant to paragraph (b) of this Section 9 shall be cancelled by the Trustee and disposed of according to the written request of the Company and shall not be reissued nor shall any bonds be issued in lieu thereof or in substitution therefor.

SECTION 10. The Trustee shall not be required to pay over to the Company any moneys pursuant to paragraph (a) of Section 9 of this Article Eight unless and until it shall have received

(a) a certificate of the Company executed as provided for in Section 11 of this Article Eight setting forth

(1) that stated expenditures were made for additions, betterments or improvements to the mortgaged premises or for the acquisition of property subject to the lien hereof as provided in paragraph (a) of Section 9 of this Article Eight, that such expenditures have not previously been made the basis for the issue of bonds or payment of cash under any provisions hereof and that none of such additions, betterments or improvements or property acquired has been made or acquired.

in replacement of or substitution for other property sold, exchanged or otherwise disposed of pursuant to the provisions of this indenture;

(2) a general description of such additions, betterments or improvements or property acquired;

(3) that the expenditures so made for such additions, betterments and improvements or for the acquisition of such property are not in excess of the then fair value of the work done or property acquired;

(4) that such additions, betterments and improvements or such property acquired are subject to the lien of this indenture as a first lien thereon, subject only to the lien of current taxes not then due and other specified encumbrances not deemed material;

(5) that the Company is not so far as is known to the officers signing such certificate in default with respect to the performance or observance of any covenant or agreement in this indenture;

(b) an opinion of counsel (who may be counsel for the Company) satisfactory to the Trustee to the effect that

(1) the payment so requested is of the character authorized by the provisions of paragraph (a) of Section 9 of this Article Eight;

(2) the certificate furnished to the Trustee in connection therewith is in compliance with the provisions of this Section 10; and

(3) such additions, betterments and improvements or such property acquired are or will be upon consummation of the transaction subject to the lien of this indenture as a first lien thereon, subject only to the lien of current taxes not then

due and other specified encumbrances not deemed material.

SECTION 11. Any certificate of the Company provided to be given to the Trustees pursuant to Section 8 or Section 10 of this Article Eight shall be signed by two officers or agents of the Company; but, unless signed by the President or a Vice-President and also by the Comptroller or Chief Accounting Officer, Treasurer or Assistant Treasurer of the Company, shall be accompanied by a statement signed by the President or a Vice-President and also by the Comptroller or Chief Accounting Officer, Treasurer or Assistant Treasurer of the Company that they believe such certificate to be true. Any such certificate, accompanied, if necessary, by such statement, may be received by the Trustees as conclusive evidence of any facts therein set forth in pursuance of the provisions of Section 8 or Section 10 of this Article Eight, but the Trustees may, but shall not be required, to make such investigation and inquiry as in their discretion they may deem reasonably necessary to ascertain or verify any such facts, matters or representations.

SECTION 12. If an event of default shall be existing hereunder to the knowledge of the Trustees, the Trustees may nevertheless in their discretion effect any release provided for in Section 2, 3 or 4 of this Article Eight if the Trustee believes such release is in the best interests of the holders of the bonds.

SECTION 13. The Company, at any time before full payment of the bonds hereby secured, and whenever it shall deem it expedient for the better protection and security of such bonds, although there then be no default entitling the Trustees to enter into possession, with the consent of the Trustees, may surrender and deliver to the Trustees full possession of the whole or any part of the property, premises and interests hereby conveyed, or intended so to be, for any period fixed or indefinite.

Upon such surrender and delivery to the Trustees, with their consent, the Trustees shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon, and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said property and premises, or of any part thereof, the Trustees, from the time of their entry, shall operate, maintain, use, manage and control the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in Section 2 of Article Six hereof.

SECTION 14. If the Trustees shall be in possession of the mortgaged premises under any provisions of this indenture, then all the powers conferred upon and reserved to the Company by this Article Eight may be exercised by the Trustees in their discretion; and if the mortgaged premises shall be in the possession of a receiver or receivers lawfully appointed or a trustee or trustees lawfully appointed in pursuance of any Bankruptcy Act of the United States, then said powers may be exercised by such receiver or receivers or trustee or trustees with the approval of the Trustee.

## ARTICLE NINE.

### CONCERNING THE TRUSTEES.

SECTION 1. The Trustees accept the trusts of this indenture and agree to execute them on the following terms and conditions, to which the parties hereto and the holders of the bonds agree:

(a) The Trustees shall be under no obligation to see to the recording, registry or filing or continuance

of lien of this, or any supplemental indenture; or to see to the insurance of the mortgaged premises, or to the payment of taxes and assessments thereon; or to the performance or observance of any of the covenants or agreements of this indenture on the part of the Company; and the Trustee may authenticate and deliver the bonds, in accordance with the provisions hereof, on the execution and delivery of this indenture, and notwithstanding this indenture shall not have been recorded, registered or filed.

(b) The Trustees shall be entitled to reasonable compensation for all services rendered by them in the execution of the trusts hereby created, and such compensation, as well as all reasonable expenses incurred or sustained by them or either of them hereunder, including court costs and attorneys' fees, liabilities or damages, the Company agrees to pay; and the Trustees shall have for such compensation and expenses a lien upon the mortgaged premises, under this indenture, prior to the lien of the bonds.

(c) The Trustees shall not be responsible in any manner whatsoever for the recitals herein or in the bonds contained, except the certificate of authentication of the Trustee endorsed on the bonds, all of which are made by the Company solely; nor shall the Trustees be liable for the validity of this indenture, the value of the security afforded hereby, or the application by the Company of the bonds or the proceeds thereof.

(d) The Trustees shall not be under any obligation to take any action toward the execution or enforcement of the trusts hereby created which, in their opinion, will be likely to involve them in expense or liability, unless one or more of the holders of the bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against such expense or liability, nor shall the Trustees be

required to take notice of any default hereunder, unless notified in writing of such default by the holders of at least 10% in principal amount of the bonds then outstanding; or to take any action in respect of any such default, involving expense or liability, unless requested by an instrument in writing, signed by the holders of 25% in principal amount of the bonds then outstanding and accompanied by a tender of reasonable security and indemnity, as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the Trustees to determine whether or not they shall take any action in respect of such default, or to take any action without such request.

(e) The Trustees may employ agents or attorneys-in-fact, and shall not be answerable for the default or misconduct of any agent or attorney appointed by either of them in pursuance hereof, if such agent or attorney shall have been selected or retained with reasonable care; and the Trustees shall not be liable for anything whatever in connection with this trust, except for their own willful misconduct or gross negligence.

(f) The Trustees may advise with legal counsel, and shall be fully protected in respect of any action under this indenture taken or omitted in good faith by the Trustees in accordance with the opinion of counsel.

SECTION 2. The Company will indemnify and save harmless the Trustees and their successors in the trust against all liability, damage or expense (including court costs and attorneys' fees) which they may sustain or incur by the execution of this trust or by the operation or management of the mortgaged premises not caused by the personal misconduct or neglect of the Trustees or their successors in the trust.



SECTION 3. Either of the Trustees or any successor trustee, may resign and be discharged from the trust created by this indenture by giving to the Company notice in writing of such resignation, specifying the date when such resignation shall take effect, which notice shall be published once in each week for four consecutive calendar weeks (in each case on any day of the week) next preceding the date so specified, in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City of New York. Such resignation shall take effect from the date specified in such notice, unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee. Either Trustee may be at any time removed from the trusteeship by the holders of not less than a majority in principal amount of the bonds then outstanding, by an instrument in writing, duly signed by them or by their attorneys duly authorized.

SECTION 4. In case of the resignation, disqualification, dissolution, refusal to act or removal of any trustee under this indenture, the holders of a majority in principal amount of the bonds then outstanding may, by written appointment under their respective hands, appoint a new trustee, but until a new trustee shall be appointed by the bondholders as herein provided the Company may, by proper instrument in writing, executed by order of its Board of Directors, appoint a trustee to fill such vacancy. Any trustee in succession to the Trustee, appointed under the provisions of this Article Nine shall always be a bank or trust company, having an office in the Borough of Manhattan, City of New York, having a capital and surplus of at least \$5,000,000, if there shall be such a bank or trust company willing and able to accept the trust upon reasonable and customary

terms. The Trustees and every successor trustee or trustees shall be exempt from giving any bond or security in respect of the execution of the trusts or powers herein contained, or otherwise in respect of the premises.

SECTION 5. After any such appointment by the Company it shall cause notice of such appointment to be given by publication once in each week for three consecutive calendar weeks (in each case on any day of the week) in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City of New York; but any new trustee so appointed by the Company shall immediately and without further act be superseded by a trustee appointed within a period of two months from the date of the first publication of said notice, in the manner above provided by the holders of a majority in principal amount of the bonds. If no new trustee is appointed by the holders of a majority of the bonds then outstanding within said period of two months, the appointment made by the Company shall be construed as assented to and confirmed by the holders of the bonds.

SECTION 6. The due appointment of a trustee, as herein provided, shall be effectual to vest in such trustee so appointed the appropriate authority, rights, powers and duties herein provided in that behalf, without any new deed or conveyance, and, upon the resignation, disqualification or removal of any trustee, all the estate, right, title and interest of such trustee in the mortgaged premises shall wholly cease and determine; but, nevertheless, the Company, its successors and assigns, will in any and every such case execute upon request any such deeds, conveyances or assurances as shall, in the judgment of the trustee so appointed, be desirable or necessary to enable the trustee so appointed to execute the trusts by this indenture created as fully and completely

as if such appointed trustee had been originally one of the trustees hereunder; and in every case of resignation, disqualification or removal of a trustee, the trustee so resigning, disqualified or removed shall, at the request of the Company, its successors or assigns, or of the trustee so appointed, make and execute such deeds, conveyances or assurances to its successor as shall be necessary to enable such successor to execute the trusts by this indenture created as fully as if such successor had been originally trustee hereunder, and shall duly assign, transfer and deliver any property and moneys held hereunder by such trustee to the new trustee so appointed in his or its place. All the conveyances hereinbefore provided shall be at the cost of the Company, its successors or assigns. In case any trust company, trustee hereunder, shall be lawfully merged into or consolidated with some other company, such consolidated company shall continue to act as trustee hereunder and be vested with all power and estate of such trustee until it shall resign or be or become disqualified or be removed as herein provided.

SECTION 7. Until the moneys secured by the bonds or some one or more of them shall become payable under the provisions therein or herein contained, or until the Trustees shall, under the provisions hereof, become entitled to enter upon the mortgaged premises, the Trustee may solely have and exercise the powers, and shall solely be charged with the performance of the duties hereinbefore declared on the part of the Trustees to be had and exercised or to be performed. Any request in writing by the Trustee to the Co-Trustee shall be sufficient warrant for the Co-Trustee taking such action as may be so requested and full protection for any action taken in accordance with such request. The Co-Trustee may delegate to the Trustee the exercise of any power, discretionary or otherwise, conferred by any of the provisions of this Indenture. Said Frank J. Wideman has

been joined as trustee in order to comply with existing statutory requirements respecting trustees under deeds of trust of property in the state in which the mortgaged premises are situate, and shall as such trustee possess such powers, and such powers only, as may be necessary to comply with such requirements. In case by reason of the repeal of such requirements, or for any other reason, it shall not be necessary that one of the trustees shall be an individual, the Co-Trustee shall forthwith cease to be a trustee, and all powers of the Co-Trustee shall forthwith terminate, as shall his right, title or interest in and to the mortgaged premises and all other parts of the trust estate, and no successor to the Co-Trustee shall be appointed, and all the title, rights and powers of the Trustees shall devolve upon the Trustee alone. In case the Co-Trustee shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of the Trustees hereunder, shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until there shall be appointed a successor Co-Trustee.

SECTION 8. If at any time or times, in order to conform to any legal requirement, the Trustee shall so request, the Company and the Trustees shall unite in the execution and performance of all instruments and agreements necessary or proper to appoint another bank or trust company or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees of all or any part of the trust estate, jointly with the Trustees, or to act as separate trustee or trustees of any such property, with such power and authority as may be necessary to the effectual operation of the trusts herein set forth and specified in the instrument of appointment.

SECTION 9. As used in this indenture, the term "Trustee" shall mean United States Trust Company of New

York and its successor or successors in trust; the term "Co-Trustee" shall mean Frank J. Wideman and his successor or successors in trust; and the term "Trustees" shall mean both the Trustee and the Co-Trustee and their respective successors in trust.

## ARTICLE TEN.

### COVENANTS OF THE COMPANY.

The Company, for itself, its successors and assigns, covenants, promises and agrees as hereinafter in this Article Ten set forth:

SECTION 1. The Company will duly and punctually pay unto the holders of the bonds the principal thereof and the interest and premium, if any, thereon at the times and places and in the manner specified in the bonds and in the coupons appertaining to the coupon bonds. The interest represented by coupons shall be payable only on presentation and surrender of the several coupons for such interest, as they severally mature, and such coupons, when paid, shall forthwith be cancelled. The interest on the registered bonds without coupons shall be payable only to or upon the written order of the registered holders thereof. As a condition precedent to the payment of any interest on a bond, the Company may require the bearer of any coupon or the holder of any registered bond without coupons to furnish such evidence as will enable the Company to determine whether it is required by law to deduct or retain any tax or taxes from the interest so payable.

SECTION 2. The Company will not, directly or indirectly, extend, or assent to the extension of, the time for the payment of any coupon or claim for interest on any of the bonds, and will not, directly or indirectly, be a party to or approve of any such arrangement by

purchasing or funding any of said coupons or claims for interest or in any other manner, and no purchase of any coupon or any advance or loan thereon by or on behalf of the Company or by or on behalf of any person or corporation which by agreement with the Company shall become obligated to pay the same shall keep such coupons alive or preserve their right to the benefit and protection of this indenture except after the prior payment in full of the principal of all the bonds then outstanding and of all coupons and claims for interest not so purchased or funded.

SECTION 3. The Company is lawfully seized and possessed of all the mortgaged premises and has good right and lawful authority to mortgage the same as provided in this indenture and the mortgaged premises are at the actual date of the initial issue of bonds free and clear of any mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to this indenture except as set forth in the granting clauses hereof.

SECTION 4. The Company shall, until all the bonds are fully paid or satisfied, pay or cause to be paid, when the same shall become due and payable, all taxes and assessments and governmental charges which shall be lawfully imposed on the mortgaged premises or upon the income or profits thereof, the lien of which would be superior to the lien of this indenture, and all taxes, assessments and governmental charges lawfully imposed on the interest of the Trustees therein. Should the Company fail to pay any such tax or assessment or governmental charge, the Trustees may, without prejudice to any of their rights under this indenture by reason of such default, pay and discharge the same but shall not be obligated so to do and the Trustees shall have a lien upon the mortgaged premises under this indenture, prior to the lien securing the bonds, for any advances made by them for that purpose; provided, however, that the Com-

pany shall not be required to pay any such tax, assessment or governmental charge so long as it shall in good faith contest the validity thereof.

SECTION 5. The Company shall not voluntarily create, or suffer to be created, any lien or charge whatsoever upon the mortgaged premises, or any part thereof or upon the income thereof, prior to the lien of this indenture, or do any act or thing whereby the lien or security hereof may be impaired; and within three months after the same shall accrue it will pay or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others which, if unpaid, might by law be given precedence to this indenture as a lien or charge upon the mortgaged premises, or any part thereof, or the income thereof; provided, however, that the Company shall not be required to pay any such claim or demand so long as it shall in good faith contest the validity thereof.

SECTION 6. The Company will cause this indenture, and any supplemental indenture the filing or recording of which is necessary for the protection of the holders of bonds hereunder, to be filed, registered and recorded and kept filed, registered and recorded in such manner and at such places as may be provided by law and to do whatever else is necessary in order fully to preserve and protect the security of the bondholders and all the rights of the Trustees.

SECTION 7. The Company shall at all times maintain, preserve and keep all of the mortgaged property, including equipment, fixtures and appurtenances, in good repair, working order and condition, and equipped with suitable machinery and appliances, and will from time to time make all needful and proper repairs, renewals and replacements so that the security for the bonds and the operating efficiency of the property mortgaged here-

under shall be fully preserved and maintained. Nothing herein contained shall, however, be held to prevent the Company from abandoning or scrapping any machinery or equipment or other personal property which has become obsolete and no longer needed in the business of the Company if such action is, in the opinion of the Board of Directors of the Company, in the interest of the Company and not disadvantageous to the holders of the bonds. The Company will permit the Trustees or their duly authorized representatives, from time to time, to enter upon and inspect the mortgaged premises.

SECTION 8. The Company shall do or cause to be done all things necessary to preserve and to keep in full force and effect its corporate existence and shall preserve the franchises, rights and privileges relating thereto.

SECTION 9. The Company shall keep all buildings and other property at any time covered by this indenture insured, with loss payable to the Trustees as their interest may appear, against loss or damage by fire or other risk to the extent that property of similar character is customarily insured by terminal companies; provided, however, that any loss not exceeding \$5,000 may be paid to the Company and shall be applied by it to the replacement or reconstruction of the destroyed or damaged premises or the improvement of the mortgaged premises. Should the Company fail to effect such insurance, the Trustee may but shall not be obligated to insure such property in like manner and shall have a lien upon the mortgaged premises for the cost thereof prior to the lien of the bonds. The proceeds of any policy of insurance paid to the Trustee shall be applied by it, upon the request of the Company, to the replacement or reconstruction of the mortgaged premises so lost or damaged or otherwise to the improvement of the mortgaged premises, or to reimburse the Company for expenditures made by it therefor. A certificate of the Company, executed



in the manner provided in Section 11 of Article Eight hereof, may be received by the Trustee as conclusive evidence of the cost of any replacement or reconstruction of the destroyed or damaged premises or the improvement of the mortgaged premises and be full and complete authority for the payment to the Company of the cost of such replacement or construction or improvement out of any insurance moneys on deposit with the Trustee. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor which may be agreed upon between the Company and the insurer or insurers may be consented to and accepted by the Trustee in its discretion and the Trustee shall in no event be liable or responsible for the adjustment of any such losses or the collection of any such insurance.

There shall be deposited with the Trustee at such reasonable times as it may request, and at least once in each year without such request, a detailed statement of the policies of insurance effected by the Company then outstanding and in force, together with a statement of the Company, signed by its President or a Vice-President, as to the adequacy of such insurance. The Trustee shall be under no duty or obligation to check or verify any insurance policies or any list of insurance policies at any time filed with it hereunder or to ascertain whether the mortgaged premises are adequately or properly insured.

SECTION 10. The Company shall, from time to time, and at all times hereafter, upon the reasonable request of the Trustee, make, do, execute, acknowledge and deliver all such further acts, deeds and conveyances in the law for the better and more effectual conveying, assuring and confirming unto the Trustees and their successors in the trust by this indenture created, for the further security of the bonds, upon the trusts and for the uses and purposes herein expressed or intended, all and

singular the property and franchises hereby mortgaged or intended so to be.

SECTION 11. The Company will perform all of its covenants contained in the Operating and Guaranty Agreement referred to in the granting clauses of this indenture and any supplements thereto, if any.

## ARTICLE ELEVEN.

### SUPPLEMENTAL INDENTURES.

SECTION 1. The Company, when authorized by resolution of its Board of Directors, and the Trustees, from time to time and at any time, subject to the restrictions in this indenture contained, may, and when so required by this indenture shall, enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof and be binding upon the holders of all bonds then outstanding or thereafter to be outstanding hereunder, for any one or more of the following purposes:

(a) to correct the description of any property hereby granted, conveyed, assigned and transferred, or intended so to be, or to grant, convey, assign and transfer to and in favor of the Trustees, subject to such liens or encumbrances and to such appropriate provisions, not inconsistent herewith, as shall be therein specified, additional property or properties real, personal or mixed, including stock or other securities;

(b) to evidence the succession of another corporation to the Company, or successive successions and the assumption by any successor corporation of the covenants and obligations of the Company in the bonds and in this indenture or any supplemental indenture contained;

(c) to set forth the terms and provisions of any series of bonds other than the bonds of Series A;

(d) to make such provision in regard to matters or questions arising under this indenture as may be necessary or desirable and not inconsistent with this indenture and which shall not impair or endanger the security of the same;

and the Trustees shall be fully protected in accepting and entering into any supplemental indenture pursuant to this Section 1 as aforesaid in reliance upon a certificate signed by the President or a Vice-President of the Company, stating such facts as may be pertinent to the right of the Trustees to accept and enter into such supplemental indenture and upon an opinion of counsel of the Company stating that the execution of such supplemental indenture is authorized by the provisions of this Section 1.

SECTION 2. In addition to the power and authority given under the foregoing Section 1 of this Article Eleven, any of the provisions of this indenture or any indenture supplemental hereto may be amended, repealed or modified in the manner set forth in this Section 2, *provided*, that no such amendment, repeal or modification shall, without the consent of the holder of each bond affected thereby, (a) alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on every bond at the time and place and at the rate prescribed therein, or (b) permit the creation by the Company of any lien on any property subject to the lien of this indenture prior to or equal with the lien thereon of this indenture, or (c) reduce the percentage required by the provisions of this Section 2 for taking any action hereunder.

Whenever the Company shall desire any such amendment, repeal or modification of any of the provisions of this indenture or any indenture supplemental hereto, it shall file with the Trustee a copy of a proposed supplemental indenture embodying the amendment, repeal, or modification (herein referred to, generally, as "alteration") desired, accompanied by a copy of a resolution of

the Board of Directors of the Company, certified by its Secretary under its corporate seal, requesting the Trustee to call a meeting of the holders of the bonds affected by the proposed alteration for the purpose of considering and acting upon such proposed supplemental indenture. Notice specifying the purpose, place, date and hour of such meeting shall be published at least once in each of four successive weeks in one newspaper, printed in the English language, and customarily published on each business day and of general circulation in the Borough of Manhattan, City of New York, the first publication to be not less than sixty and not more than ninety days prior to the date fixed for the meeting; *provided*, that such first publication may be less than sixty, but not less than thirty, days prior to the date fixed for the meeting, if the Trustee, in its absolute discretion, deems such shorter notice advisable. Such notice shall briefly set forth the nature of the proposed supplemental indenture and of the alteration desired to be effected thereby, and shall give notice that a copy thereof is on file with the Trustee for inspection by the holders of the bonds. On or before the day of the first publication of such notice, a similar written or printed notice shall be mailed by the Trustee, postage prepaid, to each holder of bonds affected by the proposed alteration whose name and address shall be furnished the Trustee by the Company from the bond registration books. The place, date and hour of holding such meeting and the date or dates of publishing and mailing such notice shall be determined by the Trustee in its discretion. The actual receipt by any bondholder of notice of any such meeting shall not be essential to the validity of such meeting; and a certificate by the Trustee that the meeting has been called and notice thereof given as herein provided shall be conclusive as against all parties, and it shall not be open to any bondholder to show that he failed to receive notice of such meeting.

Any holder of bonds affected by the proposed alteration may, prior to any such meeting, deliver his bonds to the Trustee or to any agency designated by it for the purpose, and shall thereupon be entitled to receive an appropriate receipt for the bonds so deposited, calling for the redelivery of such bonds at any time upon surrender of such receipt after the meeting, or, if the Company and the Trustee shall so determine, at any time. The Trustee shall prepare and deliver to the Chairman of the meeting a list of the names and addresses of the registered holders of bonds and a list of the names and addresses of bondholders whose bonds shall then be on deposit, with a statement of the denominations, series and serial number of the bonds deposited by each; and no holder of any bond shall be entitled to vote at such meeting unless, his name appears upon such list, or unless he shall present his bond or bonds at the meeting. No bondholder shall be permitted to vote upon a larger aggregate principal amount of bonds affected by the proposed alteration than is set against his name on such list, unless he shall produce the additional bonds upon which he desires to vote as above provided.

Any action authorized by this Section to be taken by the holder of any bond may be taken on behalf of such holder by an agent or attorney of such holder duly authorized in writing. An executed copy of any such written authorization shall be filed with the Trustee.

The Company covenants that it will present to the Trustee, within twenty-four hours prior to the meeting, a certificate, signed and verified by the President or a Vice-President of the Company, stating the denominations, series and serial numbers of all bonds owned by the Company or by any corporation directly or indirectly controlling (whether alone or with one or more other corporations), or controlled by, the Company, whether or not pledged, and of any bonds which shall have been called for redemption and payment duly provided for but which have not been presented for payment. No

person shall be permitted at the meeting to vote upon or consent with respect to any bond appearing upon such certificate, or any bond which it shall be established to the satisfaction of the Trustee at or prior to the meeting is owned by the Company or by any corporation directly or indirectly controlling (whether alone or with one or more other corporations), or controlled by, the Company, whether or not pledged, or which has been called for redemption and payment duly provided for, or which is held by the Trustee for account of any sinking fund; and no such bonds (hereinafter referred to as "Company Owned Bonds") shall be counted in determining whether a quorum is present at the meeting.

A representation of at least 66 $\frac{2}{3}$ % in aggregate principal amount of the outstanding bonds affected by the proposed alteration (exclusive of Company Owned Bonds) shall be necessary to constitute a quorum at any such meeting of bondholders; but less than a quorum may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Trustee shall, by an instrument in writing, appoint a temporary Chairman of the meeting; and a quorum being present, the meeting shall be organized by the election of a permanent Chairman and a Secretary. At any meeting, each holder of bonds affected by the proposed alteration shall be entitled to one vote for every \$1,000, principal amount, of bonds upon which he shall be entitled to vote, as aforesaid, and such vote may be given in person or by proxy duly constituted in writing and presented at the meeting. The Company and the Trustee, by their respective officers or duly authorized representatives, may attend any meeting of the bondholders, but neither shall be required to do so.

At any such meeting, held as aforesaid, the Trustee or the Company shall submit for the consideration and action of the holders of the bonds affected by the proposed alteration the form of the proposed supplemental

indenture theretofore filed with the Trustee, and, if such supplemental indenture as submitted, with such changes (if any) therein as do not, in the judgment of the Trustee, affect the substance thereof, shall be consented to and approved by the holders of at least 66 $\frac{2}{3}$ % in aggregate principal amount of the outstanding bonds affected by the proposed alteration (exclusive of Company Owned Bonds), then and in such case, the Company and the Trustee shall thereby be authorized and empowered to enter into and to execute such supplemental indenture; *provided*, that such supplemental indenture be acceptable to the Trustee to the extent that it affects the rights, duties or obligations of the Trustees; and *provided further*, that the execution of such supplemental indenture is in the opinion of the Trustee, in its absolute discretion, authorized by the provisions of this Section 2.

A certificate, signed and verified by the permanent Chairman and Secretary of the meeting and delivered to the Trustee, shall be conclusive evidence and the only competent evidence of matters stated in such certificate relating to proceedings taken in such meeting.

Provided that the holders of at least 66 $\frac{2}{3}$ % in aggregate principal amount of the outstanding bonds which in the judgment of the Trustee are affected by the alteration (exclusive of Company Owned Bonds) shall have consented to and approved the execution of any such supplemental indenture, no holder of any bond shall thereafter have any right to object to the execution of such supplemental indenture or to object to any of the terms or provisions therein contained, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Company from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this Section 2, this indenture or any indenture supplemental hereto shall be and be deemed to be modified and amended in accordance

therewith, and the respective rights, duties and obligations of the Company, the Trustees and all holders of outstanding bonds under this indenture shall be thereafter determined, exercised and enforced hereunder, subject, in all respects, to such modifications and amendments.

SECTION 3. For the purpose of this indenture any supplemental indenture executed pursuant to this Article Eleven shall be construed in connection with and as part of this indenture and the covenants thereof shall be deemed, as to the subject matter of such covenants, covenants of this indenture.

The Trustees are authorized to join with the Company in the execution of any such supplemental indenture or indentures, to make the further agreements and stipulations which may be therein contained, and to accept the conveyance, transfer and assignment of any property thereunder. In case of the execution of any such supplemental indenture or indentures, express reference thereto may be made in the text of the bonds of any series created thereby or thereafter.

An executed counterpart of every such supplemental indenture shall be deposited with the Trustee.

SECTION 4. The Company covenants that, with all convenient speed after the execution thereof, it will cause each such supplemental indenture executed for any of the purposes specified in Clause (a) of Section 1 of this Article Eleven to be duly recorded in such place or places, if any, and in such manner, as may be necessary to constitute such supplemental indenture a valid and existing lien on any property covered thereby, of the extent and priority purported to be created thereby; but the Trustee may authenticate and deliver any bonds after any such supplemental indenture shall have been delivered prior to the recording thereof.



## ARTICLE TWELVE.

### MISCELLANEOUS PROVISIONS.

SECTION 1. No holder of any of the bonds or coupons shall have the right to institute any suit, action or proceeding, at law or in equity, upon or in respect of this indenture, or for the execution of any power or trust hereof, or for the appointment of a receiver, or for any other remedy under or upon this indenture, unless such holder shall previously have given to the Trustees written notice of some existing default and of the continuance thereof as hereinbefore provided; nor unless also the holders of 25% in principal amount of the bonds then outstanding shall have made written request upon the Trustees and shall have afforded to the Trustees reasonable opportunity to proceed themselves to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in their own name after such right of action shall have accrued to the Trustees; nor unless also such holder or holders shall have afforded to the Trustees adequate security and indemnity against the costs, expenses and liabilities to be incurred in or by reason of such action, suit or proceeding; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustees, to be conditions precedent to the execution of the powers and trusts of this indenture, and to any action or cause of action for foreclosure or for the appointment of a receiver, or for other remedy hereunder; it being intended that no one or more holders of the bonds, or of the coupons appertaining thereto, shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings hereunder shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all the holders of such outstanding bonds and coupons; but the foregoing provisions of this Section 1

shall not be construed to affect any discretion or power by any provision of this indenture given to the Trustees to determine whether or not the Trustees shall take action in respect of any default without such notice or request from bondholders, or to affect any other discretion or power given to the Trustees.

Nothing in this Article or elsewhere in this indenture or in the bonds contained shall affect or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on the bonds to the respective holders of the bonds and to the respective holders of the coupons appertaining thereto, in the manner and at the time and place therein respectively expressed, nor shall affect or impair the right of the respective holders of the bonds or coupons, by an action at law upon the promises to pay therein contained, to enforce such payment without reference to or the consent of either the Trustees or the holder of any other bonds or coupons.

SECTION 2. No delay or omission of the Trustees, or of any holder of the bonds, to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein or shall extend to, or affect any subsequent default; and every power and remedy given by this indenture to the Trustees or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustees or by the bondholders.

SECTION 3. No recourse shall be had for the payment of the principal of or interest or premium, if any, on the bonds, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or of this indenture, against any stockholder, officer or director, as such, past, present or future, of the Company, or of any company whose guaranty is endorsed

on the bonds, or of any successor corporation, either directly or through the Company, or any such successor corporation, whether by any legal or equitable proceeding or otherwise, by virtue of any statute, constitutional provision or rule of law, or by the enforcement of any penalty, assessment or otherwise; it being expressly agreed and understood that this indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors, as such, of the Company, or of any company whose guaranty is endorsed on the bonds, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby secured, or under or by reason of any of the obligations, covenants or agreements contained in this indenture, or in any of the bonds or coupons, or implied therefrom. And any and all personal liability of every name and character and any and all rights and claims of every such incorporator, stockholder, officer or director, as such, whether arising at common law or in equity or created by constitutional provision or statute or otherwise, are hereby expressly waived as a condition of and as part of the consideration for the execution of this indenture and the issue of the bonds and coupons, *provided, however*, that nothing herein contained shall be deemed to relieve the parties to that certain Operating and Guaranty Agreement of even date herewith from any obligation arising out of their guaranty of the payment of the principal, interest and sinking fund payments with respect to bonds of Series A as therein provided.

SECTION 4. The Company for itself, its successors and assigns, agrees to waive, and hereby relinquishes any and all valuation, stay, extension or redemption law or laws, now existing or which may hereafter exist, which, but for this provision, agreement and waiver, might be applicable to the sale, hercinbefore authorized by the Trustees or their successors to be made of the mortgaged

premises, or to any judicial sale thereof, or of any part thereof, under and by virtue of the judgment or decree of any competent court, in a suit instituted for the enforcement of this indenture; and covenants that it will not in any manner set up or seek to take the benefit or advantage of any such present or future valuation, stay, appraisement, extension or redemption law or laws, to prevent, hinder or delay the absolute and irredeemable sale of the mortgaged premises, as hereinbefore authorized to be made by the Trustees or their successors, or as might, except for such law or laws, be directed, ordered or decreed by a court of competent jurisdiction.

SECTION 5. Nothing contained in this indenture or in any of the bonds shall prevent any consolidation or merger of the Company with or into any other corporation or corporations, or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance or lease of the property of the Company as an entirety or substantially as an entirety to any other corporation authorized to acquire the same; provided, however, that no such consolidation, merger, sale, conveyance or lease shall impair the obligations under this indenture or any of the rights or powers hereunder of the Trustees or of the holders of the bonds, and provided further that upon such consolidation, merger, sale, conveyance or lease the due and punctual payment of the principal of and interest and premium, if any, on all of the bonds and the due and punctual performance of all the covenants and conditions of this indenture shall be expressly assumed in writing by the corporation formed by such consolidation, or the corporation into which the Company shall have been merged, or the corporation acquiring or leasing such property, hereinafter sometimes referred to as the "successor corporation."

In case of any such consolidation, merger, sale or conveyance, and in case the successor corporation shall have

assumed, by an instrument in writing delivered to the Trustee satisfactory in form to it, the due and punctual payment of the principal of and interest on all of the bonds and the due and punctual performance of all of the covenants and conditions of this indenture, such successor corporation shall succeed to and be substituted for the Company herein with the same effect as if it had been named herein as party of the first part.

The term "Company" wherever used in this indenture shall include any such successor corporation and any order, request, certificate or other instrument of any officer or officers of the Company provided for in this indenture may be made by like officials of a successor corporation and any resolutions provided to be adopted by the Board of Directors of the Company may be adopted by the Board of Directors of such successor corporation.

The term "Board of Directors" as used herein means and includes the Board of Directors of the Company as from time to time constituted and the Executive Committee if there shall be an Executive Committee of the Company; provided, however, that for the purposes of Section 5 of Article One and of Section 3 of Article Two the term "Board of Directors" shall not include any Executive Committee.

SECTION 6. Any notice authorized by this indenture to be given to the Company shall be sufficiently given for all purposes if addressed and mailed to Jacksonville Terminal Company, Jacksonville, Florida, or any other address filed by it with the Trustee in a writing referring to this indenture.

SECTION 7. All the covenants, stipulations, promises and agreements in this indenture contained by or on behalf of the Company shall bind its successors or assigns whether so expressed or not.

SECTION 8. This instrument may be executed by the parties hereto in several counterparts, each an original, and said counterparts so executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Jacksonville Terminal Company, the party of the first part hereto, has caused these presents to be signed by its President or one of its Vice-Presidents and its corporate seal to be hereto affixed and attested by its Secretary or one of its Assistant Secretaries, and United States Trust Company of New York, one of the parties of the second part hereto, has caused these presents to be signed by its President or one of its Vice-Presidents or Assistant Vice-Presidents and its corporate seal to be hereto affixed and attested by its Secretary or one of its Assistant Secretaries, and Frank J. Wideman, one of the parties of the second part has hereto set his hand and seal, all as of the day and year first above written.

JACKSONVILLE TERMINAL COMPANY,

By JOHN B. HYDE  
Vice-President.

[SEAL]

Attest:

F. D. LEMMON  
Assistant Secretary.

Signed, sealed and delivered on behalf  
of JACKSONVILLE TERMINAL COMPANY  
in the presence of:

F. J. PRIMOSCH

A. J. RAPPOLD

UNITED STATES TRUST COMPANY OF NEW YORK,

[SEAL] By H. L. SMITHERS  
Assistant Vice-President.

Attest:

F. J. KEELER  
Assistant Secretary.

Signed, sealed and delivered on behalf  
of UNITED STATES TRUST COMPANY OF  
New York in the presence of:

E. WITTING

C. J. PAINE

FRANK J. WIDEMAN  
(Frank J. Wideman)

Signed, sealed and delivered by FRANK  
J. WIDEMAN in the presence of:

E. WITTING

C. J. PAINE

(Federal Revenue Stamps for \$4,400 have been affixed  
to Counterpart No. 1 hereof in possession of United  
States Trust Company of New York, Trustee, and duly  
canceled).

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I hereby certify that on this day before me, EDWARD F. RYAN, a Notary Public in and for the County and State aforesaid, personally appeared JOHN B. HYDE and F. D. LEMMON, to me known and known to be the persons described in and who executed the foregoing instrument as Vice President and Assistant Secretary, respectively, of JACKSONVILLE TERMINAL COMPANY, the above-described corporation, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 4th day of December A. D. 1947.

EDWARD F. RYAN  
Notary Public

EDWARD F. RYAN  
Notary Public of The State of N. Y.  
Residing in Nassau County  
Nassau County No. 2000  
Ctf. filed in N. Y. Co. No. 769, Reg. No. 385-R-9  
Term Expires March 30, 1949

(NOTARIAL SEAL)



STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I hereby certify that on this day before me, BARTH E. ROCKETT, a Notary Public in and for the County and State aforesaid, personally appeared H. L. SMITHERS and F. J. KEELER, to me known and known to be the persons described in and who executed the foregoing instrument as Assistant Vice President and Assistant Secretary, respectively, of UNITED STATES TRUST COMPANY OF NEW YORK, the above-described corporation, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said corporation.

Witness my hand and official seal in the County and State last aforesaid, this 5th day of December A. D. 1947.

BARTH E. ROCKETT  
Notary Public

BARTH E. ROCKETT  
Notary Public, State of New York  
Residing in Queens County  
Queens Co. Clk's No. 2121, Reg. No. 89-R-8  
N. Y. Co. Clk's No. 308, Reg. No. 126-R-8  
Commission Expires March 30, 1948

(NOTARIAL SEAL)

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I hereby certify that on this day before me, BARTH E. ROCKETT, a Notary Public in and for the County and State aforesaid, personally appeared FRANK J. WIDEMAN, to me known and known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid, this 5th day of December A. D. 1947.

BARTH E. ROCKETT  
Notary Public

BARTH E. ROCKETT  
Notary Public, State of New York  
Residing in Queens County  
Queens Co. Clk's No. 2121, Reg. No. 89-R-8  
N. Y. Co. Clk's No. 308, Reg. No. 126-R-8  
Commission Expires March 30, 1948

(NOTARIAL SEAL)

*Filed and recorded in public records of Duval County, Florida, Mortgage Book 1152, at pages 90 to 146, inclusive, as same appears from endorsements on Counterpart No. 10 hereof in possession of United States Trust Company of New York, Trustee.*

---

"No. 638-706 A filed Dec. 6 1947 at 11.23 o'clock A. M. Recorded in the public records of Duval County, Florida, in the book and page noted above.

LEONARD W. THOMAS, Clerk Circuit Court

By /s/ S. M. Slaughter  
Deputy Clerk"

[SEAL]

---

"FILED and RECORDED in the  
public records of Duval County  
Florida. RECORD VERIFIED,  
Leonard W. Thomas, Clerk, Circuit Court"

---

"Received \$4,620.80 in payment of taxes due on Class 'C' Intangible Personal Property, pursuant to Chapter 20724, Laws of Florida, Acts of 1941. Amount included in Receipt No. C18571.

Clyde H. Simpson Tax Collector /s/A.N.C."

Registration No. \_\_\_\_\_ dated \_\_\_\_\_

06-1987

INTERSTATE - UNITED STATES NATIONAL BANK

TO

UNITED STATES TRUST COMPANY OF NEW YORK  
TRUSTEE

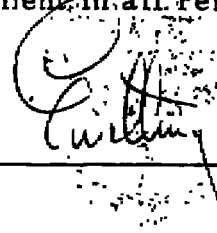
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# First Mortgage

*Dated January 1, 1950*

Certificate of True Copy

I, Elmer Witting, certify that I am Vice President of the United States Trust Company of New York, trustee under the foregoing instrument; that I have compared said foregoing instrument with the original instrument, and that said foregoing instrument is a true and correct copy of said original instrument in all respects.

  
\_\_\_\_\_

Dated: December 20, 1968

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**THIS INDENTURE** dated the 1st day of January, 1950, by and between PEORIA AND PEKIN UNION RAILWAY COMPANY (hereinafter called the Company), a corporation organized under the laws of the State of Illinois, party of the first part, and UNITED STATES TRUST COMPANY OF NEW YORK (hereinafter called the Trustee), a corporation organized under the laws of the State of New York, Trustee, party of the second part.

WHEREAS, the Company has been duly organized as a corporation under the laws of the State of Illinois, and owns certain lines of railroad and other properties in the State of Illinois; and

WHEREAS, the Company desires to provide for the refunding and retirement of its First Mortgage 5½% Bonds, Series A, due August 1, 1974 (of which \$2,500,000 principal amount are outstanding in the hands of the public on the date of this Indenture) and to provide for the making of additions to, and extensions and betterments of, railroad and other properties now or hereafter owned by or leased to the Company, and for such and other corporate purposes to borrow money; and

WHEREAS, the Board of Directors of the Company and the Company's stockholders have duly authorized the satisfaction and discharge of the Company's First Mortgage dated August 1, 1924 after provision has been made for the retirement of all outstanding bonds issued thereunder and the creation of the mortgage imposed by this Indenture upon the Company's properties and the issuance of bonds thereunder, to be known as the Company's First Mortgage Bonds; and

WHEREAS, the First Mortgage Bonds (hereinafter sometimes called the Bonds) are to be issuable in series, of which the first series is to be designated as the Company's First Mortgage 3½% Bonds, Series A, due January 1, 1975, and in the case of each particular series, the designation of the series, the date of the Bonds thereof, the date of maturity, the rate of interest, and the interest payment dates, the denominations of said Bonds, redemption provisions, if any, sinking

fund provisions, if any, and any limitation upon the aggregate principal amount of the Bonds of such series, as well as such additional provisions as are required or permitted by this Indenture, are to be determined by the Board of Directors of the Company at the time of the authorization of such series; and

WHEREAS, the Company, upon the execution of this Indenture, desires to issue forthwith Bonds of Series A in the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) to be sold for cash for the purpose of providing funds to be applied to the payment, or to reimburse the Company for the payment, of Two Million Five Hundred Thousand Dollars (\$2,500,000) principal amount of the Company's First Mortgage 5½% Bonds, Series A, due August 1, 1974; and

WHEREAS, the forms of the Bonds of Series A and the coupons to be appurtenant to coupon Bonds of said series, and the Trustee's certificate of authentication to be endorsed on said Bonds, are to be, severally, substantially as follows:

[FORM OF COUPON BOND]

No.

\$1,000

PEORIA AND PEKIN UNION RAILWAY COMPANY

FIRST MORTGAGE 3½% BOND, SERIES A

DUE JANUARY 1, 1975

PEORIA AND PEKIN UNION RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Illinois, hereinafter called the "Company", for value received, hereby promises to pay to the bearer, or, if this Bond be registered as to principal, then to the registered holder hereof, on the first day of January, 1975 (unless this Bond shall have been called for previous redemption and payment thereof duly provided for) the principal sum of One Thousand Dollars and to pay interest on said principal sum at the rate of three and one-eighth per cent. per annum from the date hereof, semi-annually on the

first day of January and the first day of July in each year, until said principal sum shall become due and payable and thereafter as provided in the indenture hereinbelow referred to, but, until the maturity of this Bond, only upon presentation and surrender of the coupons for such interest installments as are evidenced thereby, hereto attached, as severally they mature. The principal of, premium, if any, and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

This Bond is one of the First Mortgage Bonds of the Company issued and to be issued under and pursuant to, and all equally and ratably secured by, a mortgage or deed of trust, dated January 1, 1950, hereinafter called the "Indenture", executed by the Company to United States Trust Company of New York, a corporation organized and existing under the laws of the State of New York, as Trustee, to which reference is hereby made for a description of the property mortgaged, the nature and extent of the security, and the rights, limitations of rights, duties and immunities of the holders of said Bonds and coupons, of the Trustee and of the Company in respect of such security or otherwise thereunder, and the terms and conditions upon which said Bonds are issued.

No reference herein to the Indenture and no provision of this Bond or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Bond at the times and place and at the rate and in the currency herein prescribed.

The Indenture permits the amendment thereof and the modification or alteration of the rights and obligations of the Company and the rights of the holders of the Bonds of all or any series and the holders of appurtenant coupons, if any, thereunder and hereunder at any time with the consent of the holders of specified percentages of the Bonds then outstanding affected by such amendment, modification or alteration and with the concurrent action of the Company, all as more fully provided in the Indenture.

The Bonds are issuable in series and the Bonds of any one series may differ from the Bonds of any other series as to date, maturity,



interest rate and otherwise, all as in the Indenture provided and set forth. The Bonds of the series in which this Bond is included are designated First Mortgage  $3\frac{1}{8}\%$  Bonds, Series A, due January 1, 1975.

The aggregate principal amount of Bonds of all series which may at any one time be secured by the Indenture is limited to \$3,000,000.

If an event of default, as defined in the Indenture, shall occur, the principal amount of the Bonds may be declared or may become due and payable, in the manner and with the effect in the Indenture provided.

The Bonds of Series A are entitled to the benefits of the sinking fund provided for in the Indenture, to the extent therein provided.

As provided in the Indenture, the Bonds of Series A are redeemable before maturity, at the option of the Company at any time, or through the operation of the sinking fund upon any interest payment date, as a whole or from time to time in part, upon publication of notice of such redemption once in each week for four successive calendar weeks, the first publication to be not less than 30 and not more than 60 days prior to the date fixed for redemption, in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York. Redemption of Bonds of Series A at the option of the Company shall be at the following percentages of the principal amount thereof: to and including January 1, 1955, 105%; thereafter to and including January 1, 1959, 104%; thereafter to and including January 1, 1963, 103%; thereafter to and including January 1, 1967, 102%; thereafter to and including January 1, 1971, 101%; and thereafter, 100%; in each case together with accrued interest to the date designated for redemption; redemption of Bonds of Series A through the operation of the sinking fund shall be at the following percentages of the principal amount thereof: to and including January 1, 1955, 102%; thereafter to and including January 1, 1959,  $101\frac{5}{8}\%$ ; thereafter to and including January 1, 1963,  $101\frac{1}{4}\%$ ; thereafter to and including January 1, 1967,  $100\frac{3}{4}\%$ ; thereafter to and including January 1, 1971,  $100\frac{3}{8}\%$ ; and thereafter, 100%; in each case together with accrued interest to the date designated for redemption.

This Bond is transferable by delivery unless registered as herein provided. This Bond may be registered as to principal in the holder's name at the office or agency of the Company in the Borough of Man-

hattan, City and State of New York, such registration being noted on the Bond, after which no transfer shall be valid unless made at said office or agency by the registered holder, in person or by attorney, and similarly noted hereon; but this Bond may be discharged from registration by like transfer to bearer similarly noted hereon, whereupon transferability by delivery shall be restored. This Bond shall continue to be subject to successive registrations and transfers to bearer. No such registration, however, shall affect the transferability of the coupons for interest hereto attached, which shall always continue to be payable to bearer and to be transferable by delivery.

Coupon Bonds of this series are issuable in the denominations of \$1,000. Registered Bonds without coupons of this series are issuable in the denominations of \$1,000, \$5,000, \$10,000 and such multiples thereof as may from time to time be approved by the Company (such approval to be conclusively evidenced by the execution thereof). The coupon Bonds of this series and the registered Bonds without coupons of this series and the several denominations of the registered Bonds without coupons of this series are interchangeable upon presentation for that purpose and upon payment of charges, all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether presently existing or hereafter arising, being, by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released as provided in the Indenture.

Neither this Bond nor any of the coupons hereto attached shall be valid or obligatory for any purpose, unless and until the certificate of authentication, hereon endorsed, shall have been executed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed by its President or a Vice President and its corporate seal or a

facsimile thereof to be hereunto affixed or imprinted hereon and to be attested by its Secretary or an Assistant Secretary, and coupons for interest, bearing the engraved facsimile of the signature of its Treasurer, to be attached hereto, and this Bond to be dated the first day of January, 1950.

PEORIA AND PEKIN UNION RAILWAY COMPANY,

By .....  
*President.*

Attest:

.....  
*Secretary.*

[FORM OF INTEREST COUPON]

No. ..... \$.....

On the first day of July, , unless the Bond hereinafter mentioned shall have been called for previous redemption and payment thereof duly provided for, Peoria and Pekin Union Railway Company will pay to bearer at its office or agency, in the Borough of Manhattan, City and State of New York, on surrender of this coupon, Fifteen and  $\frac{63}{100}$  Dollars\* in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, being six months' interest then due on its First Mortgage  $3\frac{1}{8}\%$  Bond, Series A, due January 1, 1975, No. .

.....  
*Treasurer.*

\* Fifteen and  $\frac{62}{100}$  for January 1 coupons.

## [FORM OF REGISTERED BOND WITHOUT COUPONS]

No.

\$

## PEORIA AND PEKIN UNION RAILWAY COMPANY

FIRST MORTGAGE 3 $\frac{1}{8}$ % BOND, SERIES A

DUE JANUARY 1, 1975

Peoria and Pekin Union Railway Company, a corporation organized and existing under the laws of the State of Illinois, hereinafter called the "Company", for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, on the first day of January, 1975 (unless this Bond shall have been called for previous redemption and payment thereof duly provided for) the principal sum of

\_\_\_\_\_ Thousand Dollars and to pay interest on said principal sum to the registered holder hereof at the rate of three and one-eighth per cent. per annum from the date hereof, semi-annually on the first day of January and the first day of July in each year, until the said principal sum shall become due and payable and thereafter as provided in the indenture hereinbelow referred to. The principal of, premium, if any, and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

This Bond is one of the First Mortgage Bonds of the Company issued and to be issued under and pursuant to, and all equally and ratably secured by, a mortgage or deed of trust, dated January 1, 1950, hereinafter called the "Indenture", executed by the Company to United States Trust Company of New York, a corporation organized and existing under the laws of the State of New York, as Trustee, to which reference is hereby made for a description of the property mortgaged, the nature and extent of the security, and the rights, limitations of rights, duties and immunities of the holders of said Bonds and coupons, of the Trustee and of the Company in respect of such security or otherwise thereunder, and the terms and conditions upon which said Bonds are issued.

No reference herein to the Indenture and no provision of this Bond or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Bond at the times and place and at the rate and in the currency herein prescribed.

The Indenture permits the amendment thereof and the modification or alteration of the rights and obligations of the Company and the rights of the holders of the Bonds of all or any series and the holders of appurtenant coupons, if any, thereunder and hereunder at any time with the consent of the holders of specified percentages of the Bonds then outstanding affected by such amendment, modification or alteration and with the concurrent action of the Company, all as more fully provided in the Indenture.

The Bonds are issuable in series and the Bonds of any one series may differ from the Bonds of any other series as to date, maturity, interest rate and otherwise, all as in the Indenture provided and set forth. The Bonds of the series in which this Bond is included are designated First Mortgage  $3\frac{1}{8}\%$  Bonds, Series A, due January 1, 1975.

The aggregate principal amount of Bonds of all series which may at any one time be secured by the Indenture is limited to \$3,000,000.

If an event of default, as defined in the Indenture, shall occur, the principal amount of the Bonds may be declared or may become due and payable, in the manner and with the effect in the Indenture provided.

The Bonds of Series A are entitled to the benefits of the sinking fund provided for in the Indenture, to the extent therein provided.

As provided in the Indenture, the Bonds of Series A are redeemable before maturity at the option of the Company at any time, or through the operation of the sinking fund upon any interest payment date, as a whole or from time to time in part, upon publication of notice of such redemption once in each week for four successive calendar weeks, the first publication to be not less than 30 and not more than 60 days prior to the date fixed for redemption, in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York. Redemption of Bonds of Series A at the option of the Company shall be at the following percentages of the principal amount thereof: to and including January 1, 1955, 105%; thereafter to and

including January 1, 1959, 104%; thereafter to and including January 1, 1963, 103%; thereafter to and including January 1, 1967, 102%; thereafter to and including January 1, 1971, 101%; and thereafter, 100%; in each case together with accrued interest to the date designated for redemption; redemption of Bonds of Series A through the operation of the sinking fund shall be at the following percentages of the principal amount thereof: to and including January 1, 1955, 102%; thereafter to and including January 1, 1959, 101½%; thereafter to and including January 1, 1963, 101¼%; thereafter to and including January 1, 1967, 100¾%; thereafter to and including January 1, 1971, 100¾%; and thereafter, 100%; in each case together with accrued interest to the date designated for redemption.

This Bond is transferable by the registered holder in person or by duly authorized attorney at the office or agency of the Company in the Borough of Manhattan, City and State of New York, upon surrender and cancellation of this Bond as provided in the Indenture and upon payment of the charges therein specified; and upon any such transfer a new registered Bond of this series without coupons will be issued to the transferee.

Coupon Bonds of this series, are issuable in the denominations of \$1,000. Registered Bonds without coupons of this series are issuable in the denominations of \$1,000, \$5,000, \$10,000 and such multiples thereof as may from time to time be approved by the Company (such approval to be conclusively evidenced by the execution thereof). The coupon Bonds of this series and the registered Bonds without coupons of this series and the several denominations of the registered Bonds without coupons of this series are interchangeable upon presentation for that purpose and upon payment of charges, all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether presently existing or hereafter arising, being, by the acceptance hereof, and as

part of the consideration for the issue hereof, expressly waived and released as provided in the Indenture.

This Bond shall not be valid or obligatory for any purpose, unless and until the certificate of authentication, hereon endorsed, shall have been executed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed by its President or a Vice President and its corporate seal or a facsimile thereof to be hereunto affixed or imprinted hereon and to be attested by its Secretary or an Assistant Secretary, and this Bond to be dated

PEORIA AND PEKIN UNION RAILWAY COMPANY,

By

Attest:

*President.*

*Secretary.*

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated therein, described in the within mentioned Indenture.

UNITED STATES TRUST COMPANY OF NEW YORK,

*Trustee.*

By

*Authorized Officer.*

WHEREAS, the Bonds of any other series and the coupons to be attached to coupon Bonds of said series and the Trustee's certificate of authentication thereon are to be substantially in the forms herein provided for the Bonds of Series A, with such additions, changes and modifications, if any, as shall be necessary to reflect differences in dates of maturity, interest rates, redemption and sinking fund provisions and such other variations between series of Bonds as may be provided for in this Indenture or any supplements thereto; and

WHEREAS, the Interstate Commerce Commission, by its order entered on January ....., 1950, in Finance Docket No. 16816, has authorized the issue and sale by the Company of Bonds of Series A hereunder in the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000); and

WHEREAS, all other acts and things prescribed by law have been duly performed and complied with, and the Company has executed this Indenture and the Company proposes to issue the Bonds hereby secured in the exercise of legal right, power and authority in it vested;

Now, THEREFORE, THIS INDENTURE WITNESSETH:

That for and in consideration of the premises and of the acceptance and purchase of the Bonds by the holders thereof and of the sum of Ten Dollars (\$10) lawful money of the United States of America to the Company duly paid by the Trustee at the time of the delivery of this Indenture, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, sinking fund, if any, and interest on all Bonds issued and to be issued under this Indenture according to their tenor and effect, and to secure the performance of all the covenants and conditions herein contained, and in order to charge with such payment and with such performance the railroads, railroad property and appurtenances, rights, privileges, franchises and other properties hereinafter described, the Company has executed and delivered this Indenture and has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, mortgaged, pledged, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, mortgage, pledge, assign, transfer and set over unto the Trustee, and to its successor or successors in the trust and assigns, all the right, title and interest of the Company in and to the property hereinafter more fully described:

1. All and singular the lines of railroad owned and operated by the Company upon which this Indenture constitutes a direct first mortgage lien, namely:



(a) A main line of railroad extending from Main Street in the City of Peoria, County of Peoria, Illinois, via a bridge across the Illinois River, to the City of Pekin, County of Tazewell, Illinois, a distance of 9.82 Miles.

(b) A main line of railroad extending from a connection with the Company's main line of railroad, described in subparagraph (a) of this Granting Clause 1, at Bridge Junction, in the City of Peoria, County of Peoria, Illinois, to the Township of Hollis, County of Peoria, Illinois, a distance of 6.26 Miles.

(c) All station and terminal facilities, yard tracks, side tracks and industrial tracks owned by the Company at the City of Peoria, County of Peoria, Illinois, the Village of Wesley, County of Tazewell, Illinois, the City of East Peoria, County of Tazewell, Illinois, and the City of Pekin, County of Tazewell, Illinois.

2. The Company's bridge extending easterly from the City of Peoria, County of Peoria, Illinois, across the Illinois River, a distance of about .2 Miles.

3. All right, title and interest which the Company now has or hereafter may have under existing so-called Operating Agreements, and any amendments and extensions thereof, between the Company and Mississippi Valley Corporation (a wholly-owned subsidiary of Illinois Central Railroad Company), The Peoria and Eastern Railway Company, The New York, Chicago and St. Louis Railroad Company, Chicago and North Western Railway Company, The Pennsylvania Railroad Company, Chicago & Illinois Midland Railway Company and Gulf, Mobile and Ohio Railroad Company, respectively, relating to use of the Company's properties by each of said companies and the performance of services for each of them by the Company.

4. Any and all leases, leasehold rights, joint facility and other trackage contracts, rights and privileges and amendments, renewals and extensions thereof, whether the same or any thereof be now held by the Company or hereafter acquired by it for use upon or in connection with or belonging or appertaining to any lines of railroad which the Company now owns or may hereafter acquire, or relating to the ownership, use or operation of any terminals or

union or other stations situate along or at the terminus of any line of railroad which the Company now owns or may hereafter acquire.

5. All the estate, right, title and interest of the Company in and to all real property now owned or hereafter acquired by the Company or to which it now has or hereafter acquires any right, title, claim or interest and the improvements thereon.

6. Any and all rights of way, lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, now owned or hereafter acquired by the Company and contiguous or appurtenant to any of the Company's lines of railroad or other real property subject to the lien hereof, including in the property comprised in the description in this Granting Clause 6 any and all main, branch, spur, industrial, switch, connecting, storage, yard, side or terminal tracks, rights of way, easements, estates, superstructures, road beds, tunnels, bridges, trestles, culverts, viaducts, buildings, depots, stations, stock yards, warehouses, elevators, car houses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, fences, docks, transfer bridges, structures and fixtures, and all other things of whatsoever kind and in any wise or at any time belonging or appurtenant to, or used in connection with, any of the Company's lines of railroad or other real property at any time subject to this Indenture.

7. Any and all locomotives, engines and motors, however propelled and operated, cars, other rolling stock, machinery, tools, implements and other chattels now owned or hereafter acquired, by the Company, including all the right, title and interest now vested in, or hereafter acquired by the Company in and to any and all such locomotives and other rolling stock and equipment leased to or possessed by the Company under any equipment trust agreements, conditional sale agreements or other equipment agreements.

8. Any and all additions and betterments to such rolling stock or other equipment, and any and all additions, betterments and improvements hereafter acquired or constructed to or upon or in connection with any line of railroad or any terminal facilities or upon or in connection with any of the telegraph, telephone and other communication lines and radio equipment hereinafter in

Granting Clause 10 referred to, or upon or in connection with other real property now or at any time hereafter subject to the lien of this Indenture.

9. Any and all rights, powers, franchises and privileges now owned or possessed or hereafter acquired by the Company which now or at any time hereafter may be necessary for or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the line or lines of railroad and other property now or hereafter subject to the lien of this Indenture.

10. Any and all telegraph, telephone or other communication lines or radio equipment now owned or hereafter acquired by the Company and the right to the use of any and all telegraph, telephone or other communication lines or radio equipment along the lines of railroad which the Company now owns or may hereafter acquire, in the same manner and to the same extent as they are now or hereafter may be used or subject to use by the Company.

11. Any and all other property of every kind and description (including, without limitation, railroads, leases of railroads, stocks, bonds or other property of any kind) which, at any time hereafter, by indenture or indentures supplemental hereto, may be expressly conveyed, mortgaged or pledged and delivered to the Trustee hereunder by the Company, or by a successor corporation, or with its consent by any one in its behalf, as and for additional security or substituted security for the Bonds issued and to be issued hereunder; the Trustee being hereby authorized at any time and at all times to receive such conveyance, mortgage, pledge, delivery, assignment or transfer and to hold and apply any and all such properties subject to the trusts of this Indenture; but any such conveyance, mortgage, pledge, delivery, assignment or transfer pursuant to the provisions of this Granting Clause 11 as and for additional security may be made subject to any liens, reservations, limitations, conditions and provisions which shall be specified or set forth in such supplemental indenture.

12. All the estate, right, title and interest which the Company now has or may hereafter acquire in or to any and all other prop-

erty of every kind and description used or useful for railroad purposes, *provided, however*, (1) that if the Company shall acquire substantially all of the properties of any Class I carrier or any securities of such a Class I carrier, neither such properties nor securities (other than any line of railroad, or securities of the corporation owning any line of railroad, which shall be used by the Company in substitution for or will divert traffic from any line of railroad subject to the lien of this Indenture, and the appurtenances of such line of railroad) nor any appurtenances of such properties, shall be subject to the lien of this Indenture unless such properties or securities shall be made the basis for the authentication and delivery of Bonds or withdrawal of deposited cash; (2) that if the Company shall be consolidated with, or shall be merged into, or shall convey, transfer or lease its assets substantially as an entirety to, any other corporation which at the time is a Class I carrier, no properties or securities theretofore owned or thereafter acquired by such other corporation shall be subject to the lien of this Indenture other than (a) properties or securities which shall be made the basis for the authentication and delivery of Bonds or withdrawal of deposited cash, or (b) properties or securities which, under the provisions of Article Fourteen hereof, such corporation shall subject or agree to subject, to the lien of this Indenture, or (c) property within the maintenance and replacement covenants of this Indenture.

13. All the rents, issues, tolls, profits and other income from the premises and property herein or hereafter mortgaged and conveyed or assigned or intended so to be.

#### **Excepted Property.**

It is not intended to include in the lien hereof, and this grant shall not be deemed to apply (1) to any rents, issues, tolls, profits or other income from the premises and property herein or hereafter mortgaged and conveyed or assigned, or any cash (except cash deposited with the Trustee pursuant to any of the provisions of this Indenture) or any bills, notes or accounts receivable, contracts or choses in action (other than bills, notes or accounts receivable, contracts or choses in action

which may hereafter be specifically subjected to the lien hereof and assigned to or deposited with the Trustee); (2) to any shares of stock, bonds, evidences of indebtedness, or other securities unless specifically pledged hereunder or specifically required to be pledged and held hereunder as part of the trust estate; (3) to any materials and supplies; or (4) to any office furniture, tools or machinery not constituting fixtures; unless and until an event of default shall have occurred, but upon the occurrence of an event of default all items specified in the preceding clauses (1) through (4) shall immediately become subject to the lien hereof to the extent permitted by law.

There is also excepted and reserved from any grant made hereby or pursuant hereto, the last day of the term of each leasehold estate (oral or written, or any agreement therefor) now or hereafter enjoyed by the Company, at any time subjected to the lien hereof.

TO HAVE AND TO HOLD the premises, railroads, rights, franchises, estates, appurtenances, leaseholds, and other property, real or personal (hereinafter sometimes referred to collectively as the "mortgaged property" or the "trust estate") hereby conveyed or assigned, or intended to be conveyed or assigned, or which may be conveyed or assigned by indentures supplemental hereto, unto the Trustee, its successor or successors in trust and assigns forever, subject to the Company's right to create any purchase money mortgage or other lien prior to the lien hereof upon any property acquired after the date of this Indenture in order to finance the cost of the acquisition of any property or interest therein and to extend the term of or to refund any such lien or purchase money mortgage.

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of all the present and future holders of the Bonds issued and to be issued by the Company and authenticated by the Trustee under this Indenture, and for the enforcement of the payment of said Bonds and appurtenant coupons when payable, and the performance

of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond of the same or of any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that, except as in this Indenture otherwise provided, each and every Bond issued and to be issued and authenticated as aforesaid shall have the same right, lien and privilege under this Indenture, and so that, subject to the terms hereof, the principal of, premium if any, and interest upon every such Bond shall be equally and proportionately secured hereby, as if all such Bonds at any time outstanding had been made, executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture; and it is hereby covenanted and declared that all such Bonds, with the coupons for interest thereon, are to be issued, authenticated and delivered, and that the trust estate is to be held by the Trustee, upon and subject to the following covenants, conditions, uses and trusts; and it is agreed and covenanted by the Company with the Trustee and the respective holders from time to time of Bonds hereby secured, as follows, namely:

## **ARTICLE ONE.**

### **Form, Execution and Registry of Bonds.**

SECTION 1.01. The aggregate principal amount of Bonds which may be at any one time secured by this Indenture is limited to Three Million Dollars (\$3,000,000), except as provided in Section 1.05 hereof.

The Bonds to be issued under this Indenture, together with the interest coupons appertaining thereto, and the Trustee's certificate of authentication to be borne by the Bonds, shall be substantially of the tenor and purport above set forth, with appropriate insertions, omissions, substitutions and variations in all respects as required or permitted by the terms of this Indenture and by any indenture supplemental hereto. Bonds shall be designated, generally, as the Company's

"First Mortgage Bonds" and shall be issuable in series as from time to time shall be authorized by the Board of Directors of the Company. Bonds of the initial series shall be designated as "First Mortgage 3 $\frac{1}{8}$ % Bonds, Series A, due January 1, 1975." Each series shall be distinctively designated and may be numbered in any manner prescribed by the Board of Directors of the Company. All Bonds of the same series shall be identical in tenor except as to denominations, and may be in registered or in coupon form or both, but serial Bonds of a particular series may differ as to rates of interest and maturity.

In authorizing the issue of any series the Board of Directors of the Company shall determine and specify in respect of the Bonds of such series the designation of the series, the date, the maturity, the rate of interest, the interest payment dates, the denominations, the redemption provisions, if any, the sinking fund provisions, if any, any limitation of the aggregate principal amount of the series (which limitation may thereafter be further limited by supplemental indenture, pursuant to the provisions of Article Eleven hereof), any restriction of the right to issue Bonds as coupon Bonds or as registered Bonds without coupons, any provisions as to the right of interchange of coupon Bonds or registered Bonds without coupons and of the several denominations of either form, and any variations from the above specified forms of the coupon Bonds or the registered Bonds without coupons or both which may be permitted by this Indenture.

The foregoing provisions of this Section are subject to the following specific provisions in respect of Bonds of Series A: the initial issue of Two Million Five Hundred Thousand Dollars (\$2,500,000) aggregate principal amount of Bonds hereinafter provided to be issued pursuant to Section 2.01 hereof (a) shall be Bonds of Series A; (b) shall be dated January 1, 1950 (except that registered Bonds shall be dated as provided in this Section 1.01); (c) shall mature January 1, 1975; (d) shall bear interest at the rate of 3 $\frac{1}{8}$ % per annum, payable semi-annually on January 1 and July 1 in each year; (e) shall be payable both as to principal and interest at the office or agency of the Company, in the

Borough of Manhattan, City and State of New York; (f) shall be issuable in the form of coupon Bonds, registrable as to principal, of the denomination of \$1,000, and of registered Bonds without coupons of the denominations of \$1,000, \$3,000, \$10,000 and such multiples thereof as may from time to time be approved by the Company (such approval to be conclusively evidenced by the execution thereof), and the coupon Bonds and registered Bonds without coupons of the several denominations shall be interchangeable; (g) shall be redeemable before maturity at the option of the Company at any time as a whole or in part, all upon the notice and in the manner provided in Article Three hereof, at the following percentages of their principal amount: to and including January 1, 1955, at 105%; thereafter, to and including January 1, 1959, at 104%; thereafter, to and including January 1, 1963, at 103%; thereafter, to and including January 1, 1967, at 102%; thereafter, to and including January 1, 1971, at 101%; and thereafter, 100%; and for sinking fund purposes, upon any interest payment date, at the following percentages of their principal amount: to and including January 1, 1955, 102%; thereafter to and including January 1, 1959, 101 $\frac{5}{8}$ %; thereafter to and including January 1, 1963, 101 $\frac{1}{4}$ %; thereafter to and including January 1, 1967, 100 $\frac{3}{4}$ %; thereafter to and including January 1, 1971, 100 $\frac{3}{8}$ %; and thereafter, 100%; in each case together with accrued interest on the principal amount thereof to the date fixed for redemption; (h) shall be entitled to the benefits of, and shall be redeemable by operation of, the sinking fund provided in Article Four hereof; and (i) generally shall be substantially in the form set forth in the preambles hereof.

All Bonds issued under this Indenture shall be executed on behalf of the Company by its President or a Vice President, under its corporate seal, which may be a facsimile, attested by its Secretary or an Assistant Secretary, and shall be delivered to the Trustee for authentication by it; and thereupon, as provided in this Indenture and not otherwise, the Trustee, upon the written request of the Company, shall authenticate such Bonds and shall deliver the same to the Com-



pany or upon its written order. No Bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose or be secured by this Indenture or be entitled to any right or benefit hereunder, unless and until there shall have been endorsed upon such Bond by the Trustee a certificate of authentication substantially in the form hereinbefore recited.

In case any of the officers of the Company who shall have signed and sealed any of the Bonds issuable under this Indenture shall cease to be such officers of the Company before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee or issued, such Bonds, nevertheless, may be authenticated and delivered and issued as though the persons who signed and sealed such Bonds had not ceased to be officers of the Company, and also any such Bonds may be signed and sealed on behalf of the Company by such persons as at the actual date of the execution of such Bonds shall be the proper officers of the Company, although at the nominal date of such Bonds any such person shall not have been such officer of the Company.

The coupons to be attached to coupon Bonds shall bear the engraved or printed facsimile of the signature of the present Treasurer or of any future Treasurer of the Company, and the Company may adopt and use for that purpose the engraved or printed facsimile of the signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such Bonds shall be actually authenticated and delivered.

The Trustee shall not authenticate or deliver any coupon Bonds unless all coupons appurtenant thereto then matured, except coupons representing interest the payment of which has not been duly provided for, shall have been detached and cancelled, except as hereinafter in Section 1.05 hereof otherwise provided.

Registered Bonds without coupons shall be dated as of the latest semi-annual interest payment date to which interest has been paid preceding the date of authentication, unless such date of authentication

be an interest payment date to which interest has been paid, in which case they shall be dated as of the date of authentication, *provided* that registered Bonds authenticated prior to the first interest payment date of a series, shall bear the same date as the coupon Bonds of such series.

SECTION 1.02. Bonds may be issued originally either as coupon Bonds or as registered Bonds without coupons, and the coupon Bonds and registered Bonds without coupons of any series may be interchangeable. Any of the Bonds may have imprinted thereon any legend or legends required in order to comply with any law or with any rules or regulations made pursuant thereto, or with the rules or regulations of any stock exchange or of any governmental commission or to conform to general usage, and the Board of Directors of the Company, by resolution, may amend any legend on Bonds then outstanding so as to comply with any such law, rule or regulation, or so as to conform to such usage.

SECTION 1.03. The Company will keep at an office or agency in the Borough of Manhattan, City and State of New York, a sufficient register or registers for the registration and transfer of Bonds, which shall, at all reasonable times, be open for inspection by the Trustee. The Company covenants to make in the manner in this Section 1.03 below set forth, at the office or agency to be maintained for that purpose, exchanges and transfers of Bonds to which the right of such exchange or transfer attaches under the provisions of this Indenture or of the resolutions of the Board of Directors of the Company authorizing the series; provided, that no exchange or transfer of any Bond subject to redemption will be made after such Bond shall have been drawn for redemption, nor in the event the Trustee is proceeding to draw Bonds by lot under the circumstances set forth in Section 3.01 hereof.

Whenever a Bond or Bonds to which such right of exchange attaches shall be surrendered for exchange or, in the case of registered Bonds

without coupons, for transfer, the Company shall execute, and the Trustee shall authenticate and deliver in exchange for such surrendered Bond or Bonds a coupon Bond or Bonds or a registered Bond or Bonds without coupons of the same series for a like aggregate principal amount of such authorized denominations as may be requested, *provided*, that any registered Bond or Bonds without coupons shall be accompanied by a written instrument of transfer in form approved by the Company, executed by the registered holder in person or by duly authorized attorney.

The coupon Bonds surrendered for exchange as in this Section 1.03 above provided, and the coupon Bonds issued upon such exchange, shall each bear all unmatured coupons and all matured coupons not fully paid, if any.

In every case of transfer or exchange of Bonds the surrendered Bond or Bonds, together with the appurtenant coupons, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company and to the Bond registrar. The cancelled registered Bonds shall be returned by the Trustee to the Bond registrar.

For any exchange or any transfer of Bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, and, for any exchange of Bonds, but not for any transfer, a further sum in addition thereto not exceeding two dollars for each new Bond issued. Except as above provided, no charge shall be made to the holder or registered owner of any Bond for any such registration, transfer or discharge from registration of such Bond.

Upon presentation of any coupon Bond, other than a temporary Bond which does not contain provision for registration, the Company will register such Bond as to the principal sum thereof, in the name of the holder, on the registry books at the office of the Bond registrar. After such registration, no transfer shall be valid unless made on said

books by the registered holder, in person or by duly authorized attorney, and similarly noted on the Bond. Upon presentation to the Bond registrar of any such coupon Bond registered as to principal, accompanied by a written instrument of transfer in form approved by the Company, executed by the registered holder in person or by duly authorized attorney, such Bond shall be transferred upon such registry books. The registered holder of any such coupon Bond registered as to principal shall also have the right to cause the same to be registered as payable to bearer, in which case transferability of the Bond by delivery shall be restored, and thereafter the principal of such Bond when due shall be payable to the person presenting the Bond; but any such Bond registered as payable to bearer may be registered as to principal again in the name of the holder as aforesaid with the same effect as the first registration thereof and successive registrations and transfers as aforesaid may be made from time to time as desired. Each registration of a coupon Bond, and each transfer of a coupon Bond so registered, shall be recorded on the registry books, and shall be noted on the Bond by the Bond registrar of the Company. Registration of any of the coupon Bonds as to principal, however, shall not affect the transferability of the coupons appertaining to such Bond, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to the bearer.

SECTION 1.04. The Company and the Trustee may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on any coupon Bond, whether such Bond shall be registered as to principal or not, as the absolute owner of such Bond, or coupon, for all purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

As to all registered Bonds, either with or without coupons, the person in whose name the same shall be registered shall, for all purposes of this Indenture, be deemed and be regarded as the owner

thereof, and thereafter, payment of, or on account of, the principal of such Bond and of the interest, if it be a registered Bond without coupons, shall be made only to, or upon the order of, such registered owner thereof. All such payments so made shall be valid and effectual to satisfy and to discharge the liability upon such Bonds to the extent of the sum or sums so paid.

SECTION 1.05. In case any temporary or definitive coupon Bond issued hereunder, with the coupons thereto appertaining, or any registered Bond without coupons, shall become mutilated or be lost, stolen or destroyed, the Company, in the case of a mutilated Bond shall, and in the case of a lost, stolen or destroyed Bond may, in its discretion, execute, and thereupon the Trustee shall authenticate and deliver, a new Bond with or without coupons as the case may be, of like tenor and date, bearing the same or different serial number or numbers, and bearing the same rights with respect to interest, in exchange and substitution for and upon cancellation of the mutilated Bond and its coupons, or the mutilated registered Bond without coupons, or in lieu of and in substitution for the Bond and its coupons, or the registered Bond without coupons, so lost, stolen or destroyed; or if any such Bond or any coupon shall have matured or shall be about to mature, instead of issuing a substitute Bond or coupon, the Company may pay the same without surrender thereof except in the case of mutilation. The applicant for such substitute Bond or coupon, or for such payment shall produce evidence satisfactory to the Company and the Trustee of the loss, theft or destruction of such Bond and its coupons, or of such registered Bond without coupons, or that the mutilated Bond was one of the Bonds issued hereunder, as the case may be, and shall give the Company and the Trustee, respectively, such indemnity as in their discretion they may require. The applicant for such substituted Bond shall pay all expenses, including counsel fees, in connection with the preparation and issue thereof.

**SECTION 1.06.** Pending the preparation of the definitive Bonds to be issued hereunder, the Company may execute and the Trustee shall authenticate and deliver in lieu of such definitive Bonds, and subject to the same provisions, limitations and conditions, temporary Bonds, with or without coupons, in any denomination, and substantially in the form of the definitive Bonds in lieu of which they are to be issued but with appropriate omissions, insertions and variations, all as may be determined by the Board of Directors of the Company. Such temporary Bonds shall be exchangeable, without expense to the holder, for the definitive printed, lithographed or engraved Bonds in lieu of which they are issued, and upon surrender and cancellation of such temporary Bonds, the Company shall execute and the Trustee upon the written request of the Company shall authenticate and deliver in exchange therefor definitive Bonds for the same aggregate principal amount. Until so exchanged, the temporary Bonds in all respects shall be entitled to the same lien and security of this Indenture as the definitive Bonds issued and authenticated hereunder.

## **ARTICLE TWO.**

### **Issue of Bonds.**

**SECTION 2.01.** Upon the execution of this Indenture the Company shall execute and deliver to the Trustee Two Million Five Hundred Thousand Dollars (\$2,500,000) principal amount of Bonds of Series A and thereupon the Trustee, without further action by the Board of Directors of the Company and without awaiting the filing or recording of this Indenture, shall authenticate said Bonds and deliver the same upon the written order of the Company signed in its name by its President or a Vice President; *provided*, that the Trustee shall have received (a) a certificate, in form satisfactory to the Trustee, from Central Hanover Bank and Trust Company, successor trustee under the Company's First Mortgage dated August 1, 1924, to the effect that

said First Mortgage has been duly satisfied and released, which satisfaction and release need not have been recorded at the date of such certificate, and (b) the documents specified in paragraphs 2 and 3 of Section 2.02 hereof.

SECTION 2.02. Whenever requesting the authentication of any Bonds under Sections 2.03, 2.04 or 2.05 hereof, the Company, besides complying with the other requirements of this Indenture, shall cause to be delivered to the Trustee:

1. A copy of a resolution of the Board of Directors of the Company authorizing the proposed issue and requesting the Trustee to authenticate and deliver Bonds, specifying (a) the basis for such authentication and the amount of Bonds called for, the series thereof and any other matters with respect thereto required by this Indenture and (b) the officer or officers of the Company to whom or upon whose written order such Bonds shall be delivered, and, if such Bonds are to be of a series not theretofore created, authorizing the execution and delivery of a supplemental indenture establishing the terms of such series, which supplemental indenture shall be delivered to the Trustee with such resolution;

2. An opinion of counsel for the Company to the effect that (a) no authorization of the issue of such Bonds is required by law to be given by any commission or other governmental body except as therein shall be specified, (b) that in all other respects the Company is authorized by law to issue the Bonds proposed to be issued, and (c) such Bonds when issued will constitute valid and binding obligations of the Company according to their terms and will be secured by this Indenture;

3. A copy, authenticated in such manner as may be satisfactory to the Trustee, of the order or orders or certificate or certificates authorizing such issue of Bonds made or given by the governmental authority or authorities specified in said opinion of counsel;

4. A certificate signed by the President or a Vice President and by the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company, setting forth the aggregate principal amount of Bonds issued under and then secured by this Indenture and stating that to the knowledge of the signers no event of default, as defined in Section 8.02 hereof, has happened and is continuing.

SECTION 2.03. Bonds of any one or more series may be issued from time to time in respect of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the aggregate of the increase after December 31, 1949 in the Company's investment in road and equipment property, improvements on leased property and miscellaneous physical property (now carried in accounts (701), (702) and (705), respectively, as prescribed by the Accounting Rules), after deducting accrued depreciation (now carried in accounts (702 $\frac{1}{2}$ C), (702 $\frac{1}{2}$ D), (705 $\frac{1}{2}$ ) and (779) as prescribed by the Accounting Rules), and any other credits applicable thereto; *provided, however*, that the aggregate of the principal amount of Bonds authenticated and delivered pursuant to this Section 2.03 together with all deposited cash then or theretofore paid out in lieu of Bonds issuable under this Section 2.03, shall not exceed \$500,000.

The term "Accounting Rules" means the Uniform System of Accounts for Steam Railroads prescribed by the Interstate Commerce Commission, as in effect at the time in question, or, to the extent not determined thereby or in case there be no such Uniform System of Accounts in effect at such time, sound accounting principles.

Whenever reference is made in this Indenture to specific numbered accounts in the Company's accounts, or to specific numbered accounts or definitions of accounting terms prescribed by the Interstate Commerce Commission, it shall include any other accounts or definitions substantially comparable to the specified accounts or definitions as found in the Accounting Rules as in effect at the time in question, or to the extent not determined thereby or in case there be no such Account-



ing Rules in effect at such time, as determined by sound accounting principles.

In determining the Company's investment as aforesaid there shall be excluded expenditures by the Company with respect to property not subject to the lien of this Indenture and with respect to property leased to the Company under a lease not pledged under this Indenture.

Whenever requesting the authentication of Bonds under this Section 2.03, the Company shall deliver to the Trustee:

1. The documents provided for under Section 2.02 hereof;
2. A certificate signed by the President or a Vice President of the Company and by the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company setting forth the following:
  - (a) The Company's investment in road and equipment property, improvements on leased property and miscellaneous physical property on December 31, 1949, after deducting accrued depreciation, and any other credits applicable thereto, and after deducting therefrom any investment in property not subject to the lien of this Indenture or in property leased to the Company under a lease not pledged under this Indenture;
  - (b) The Company's investment in road and equipment property, improvements on leased property and miscellaneous physical property on a date not more than sixty days prior to the date of the certificate, after deducting accrued depreciation, and any other credits applicable thereto, and after deducting therefrom any investment by the Company in property not subject to the lien of this Indenture or in property leased to the Company under a lease not pledged under this Indenture;
  - (c) The difference between the Company's net investment in road and equipment property, improvements on leased property and miscellaneous physical property on December 31, 1949, as set forth in paragraph (a) above, and such net investment on the date specified in paragraph (b) above;

(d) The aggregate of the principal amount of Bonds theretofore and then to be authenticated and delivered under this Section 2.03, and all deposited cash theretofore and then to be paid out in lieu of Bonds issuable under this Section 2.03.

(e) A statement that to the knowledge of the signers, the investment of the Company, specified in paragraphs (a) and (b), does not include any investment by the Company in property not subject to the lien of this Indenture or in property leased to the Company under a lease not pledged under this Indenture.

3. An opinion of counsel that the investment of the Company specified in said certificate does not include any investment by the Company in property not subject to the lien of this Indenture or in property leased to the Company under a lease not pledged under this Indenture.

SECTION 2.04. Bonds of any one or more series may, from time to time, be executed by the Company and delivered to the Trustee and upon the written request of the Company shall be authenticated by the Trustee and delivered from time to time as specified in such request for refunding an equal principal amount of Bonds of any other series theretofore authenticated and delivered hereunder which either at, before or after the maturity thereof, shall be surrendered to the Trustee, as hereinafter in this Section 2.04 provided.

Whenever requesting the authentication of Bonds under this Section 2.04 the Company shall deliver to the Trustee:

1. The documents provided for under Section 2.02 hereof;
2. A certificate signed by the President or a Vice President of the Company and by the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company setting forth the following:
  - (a) A description of the Bonds surrendered which form the basis of the request;

(b) A statement that such Bonds have not theretofore been made the basis for the authentication and delivery of Bonds or the withdrawal of deposited cash under any provision of this Indenture;

(c) A statement that none of such Bonds has been acquired or retired through the operation of or been applied to any sinking fund payment under any sinking fund or has been acquired or retired with the proceeds of any property released from the lien of the Indenture;

3. A principal amount of uncanceled Bonds, together with all unmatured coupons, if any, appertaining thereto, not less than the principal amount of Bonds the authentication and delivery of which is requested.

SECTION 2.05. Bonds shall be authenticated and delivered by the Trustee from time to time (but within the limitation provided in Section 1.01 hereof) upon the deposit by the Company with the Trustee of a sum in cash equal to the principal amount of such Bonds and delivery by the Company to the Trustee of the documents specified in Section 2.02 hereof.

SECTION 2.06. All cash deposited with the Trustee under the provisions of Section 2.05 hereof shall be held by the Trustee as part of the mortgaged and pledged property, and as part of the deposited cash hereunder, but whenever the Company shall become entitled to the authentication and delivery of Bonds pursuant to Sections 2.03 or 2.04 of this Indenture the Trustee, upon the written request of the Company, shall pay over to the Company, or upon its order, in lieu of each Bond to the delivery of which the Company may then be so entitled, a sum in cash equal to the principal amount of each such Bond. For the purpose of withdrawing cash pursuant to the provisions of this Section 2.06 the Company shall deliver to the Trustee the documents, opinions, certificates and securities required to be delivered to the Trustee prior to the authentication and delivery of Bonds pursuant to

Section 2.03 or Section 2.04, as the case may be, other than the documents required by Section 2.02 hereof, except that there shall be delivered a certificate signed by the President or a Vice President and by the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company stating that to the knowledge of the signers no event of default, as defined in Section 8.02 hereof, has happened and is continuing.

Upon or at any time after any deposit of deposited cash with the Trustee pursuant to Section 2.05 hereof, the Company may file with the Trustee a written request that a specified amount of such deposited cash be held for the purpose of paying the principal amount of specified Bonds. Upon the filing of any such request and, in the case of redemption, a certificate signed by the President or a Vice President and the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company stating that to the knowledge of the signers no event of default, as defined in Section 8.02 hereof, has happened and is continuing and that all required notice of redemption has been given and setting forth the details thereof and the form of the notice of redemption as so given or stating what provision has been made for the giving of such notice, and upon deposit by the Company with the Trustee of sufficient funds to pay the accrued interest and premium, if any, on the Bonds to be so paid or redeemed, the amount of deposited cash therein specified shall be set aside and held in trust by the Trustee for the payment or redemption of the Bonds specified in such request; *provided, however*, that in the case of a redemption of Bonds where the necessary notice of redemption shall not have been given, the procedure for such redemption, including the giving of the notice of redemption, shall be satisfactory to the Trustee. Any such deposited cash set aside by the Trustee for the payment or redemption of particular Bonds shall be applied from time to time to the payment or redemption of such Bonds upon surrender thereof to the Trustee.

If an event of default as hereinafter defined in Section 8.02 shall have happened and be continuing to the knowledge of the Trustee, notwithstanding the provisions in this Indenture to the contrary, the Trustee may, but shall not be required to pay deposited cash to the Company, or, upon order of a court of competent jurisdiction, to a receiver or trustee of the Company.

SECTION 2.07. In the absence of knowledge or notice to the contrary, the Trustee shall be entitled to receive the resolutions, certificates, orders, opinions of counsel, and other writings, in this Article provided for, as conclusive evidence of the truth of the statements therein contained, respectively, and as full authority for the taking of any action in accordance therewith under this Article, and they shall constitute full authority and protection to the Trustee for its authentication and delivery of Bonds and the payment of deposited cash under the provisions of this Article.

### **ARTICLE THREE.**

#### **Redemption of Bonds.**

SECTION 3.01. In the creation of any particular series of Bonds hereunder the Company may reserve the right to redeem, before maturity, all or any part of the Bonds of that series at such time or times and on such terms as the Board of Directors of the Company may determine and as shall be appropriately specified in each of the Bonds of that series. Except as otherwise determined by the Board of Directors of the Company prior to the issue under this Indenture of Bonds in respect of which the Company is reserving a right of redemption before maturity, the procedure for redemption shall be as set forth in this Article Three.

In case the Company shall desire to exercise such right to redeem and pay off all or any part of the Bonds of a particular series on any date in accordance with the right reserved so to do, notice of redemption,

either of all or any part of the Bonds of such series, shall be given by the Company by publication in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, at least once each week for four successive calendar weeks prior to the date fixed for such redemption, the first publication to be not less than thirty days nor more than sixty days prior to the date fixed for such redemption. Such publication need not be on the same day of each week or in the same newspaper. A copy of such notice shall also be mailed by the Company at least thirty and not more than sixty days before the date fixed for such redemption to each registered holder of a Bond of the said series (including coupon Bonds registered as to principal) called for redemption, at his last address appearing upon the Bond registry books, but failure to give such notice by mailing shall not affect the validity of any proceedings for the redemption of Bonds.

In case the Company shall elect to redeem less than all of the Bonds of any series, it shall give the Trustee adequate written notice of the aggregate principal amount of Bonds of such series to be redeemed, and thereupon the Trustee shall, not more than twenty days before the date of first publication of notice of redemption, draw by lot, in such manner as the Trustee may deem to be fair, (and for that purpose the Company will, upon the request of the Trustee, close the registry books for a period of not exceeding ten days) the distinguishing numbers of a principal amount of Bonds of such series equal to such aggregate principal amount of Bonds to be redeemed, and shall thereafter notify the Company in writing of the numbers of Bonds so drawn.

The notice of redemption, in the case of partial redemption, shall specify the numbers of coupon Bonds and registered Bonds without coupons to be redeemed, and in case of any Bond which is to be redeemed in part only, the notice shall specify the serial number of such Bond and the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon sur-

render of such Bond, new Bonds in principal amount equal to the unredeemed portion of such Bond will be delivered. In case there shall have been drawn for redemption as aforesaid less than the whole principal amount of any Bond, the Company shall execute and the Trustee shall authenticate and deliver to the registered holder thereof or upon his order or to the bearer of any coupon Bond and at the expense of the Company a new Bond or Bonds of the same series for the unredeemed portion of the surrendered Bond.

SECTION 3.02. After the giving of the required notice of redemption has been completed as above provided, the Bonds so called for redemption (including the designated portion of any Bond to be redeemed in part only) shall become due and payable on the date and at the place in such notice specified, at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after such date of redemption (unless default shall be made in the payment of said Bonds at the redemption price or prices aforesaid, together with interest accrued to the date fixed for redemption) interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue. If Bonds called for redemption are not so paid and redeemed on presentation thereof, they shall bear interest from the date designated for redemption at the rate of six per cent. (6%) per annum.

Whenever exercising its right of redemption, as provided for in this Article, the Company shall furnish to the Trustee a copy of a resolution of its Board of Directors providing for such redemption, specifying the particular series and the principal amount of Bonds to be called for redemption from such series.

SECTION 3.03. If the Company shall deposit or cause to be deposited in trust with the Trustee an amount in cash sufficient to redeem all of the Bonds called for redemption, together with accrued interest to the date fixed for redemption, and shall furnish to the Trustee proof satisfactory to the Trustee that the required notice of redemption of such

Bonds has been given, or that arrangements have been made insuring to the satisfaction of the Trustee that such notice will be given, then the Bonds so called for redemption shall no longer be deemed to be outstanding hereunder for any purpose, except for the purpose of entitling the holders thereof to receive payment of the redemption price thereof, and accrued interest to the date fixed for redemption, and shall cease to be entitled to the security hereof, and such Bonds shall cease to bear interest after the redemption date and the coupons for interest appurtenant to such Bonds maturing subsequent to the said redemption date shall be void. Subject to the provisions of Section 15.02 hereof, the Trustee shall hold the redemption moneys in trust for the holders of the Bonds called for redemption and shall pay the same to such holders respectively upon presentation and surrender of such Bonds, with all coupons thereto attached maturing after the redemption date.

In any case where the redemption date shall be an interest payment date, the coupons maturing on the redemption date shall be detached by the holders and presented for payment, and the Trustee shall apply the cash received by it for the payment of the accrued interest on the Bonds called for redemption to the payment of such coupons.

SECTION 3.04. All of the Bonds redeemed and paid under the provisions of this Article, together with the appurtenant coupons, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company and to the Bond registrar. The cancelled registered Bonds shall be returned by the Trustee to the Bond registrar.

#### **ARTICLE FOUR.**

##### **Sinking Fund.**

SECTION 4.01. The Company covenants and agrees that, so long as any Bonds of Series A are outstanding, it will pay to the Trustee on



May 1, 1951, and on each May 1 thereafter, as and for a sinking fund for such Bonds, the lesser of

(a) a sum equal to \$79,375,

or

(b) a sum equal to the net income of the Company for the preceding calendar year after fixed charges, computed in accordance with the Accounting Rules.

The Company covenants and agrees that if the principal amount of Bonds of Series A authenticated and delivered under this Indenture shall exceed \$2,500,000 (excluding Bonds authenticated and delivered pursuant to Sections 1.03 and 1.05 hereof) the amount payable under clause (a) above shall be increased by \$31.75 for each \$1,000 principal amount of such additional Bonds of Series A.

The sinking fund requirements shall be cumulative, however, so that if and to the extent that the amount payable on any May 1 under clause (b) above shall be less than the amount otherwise payable under clause (a) above (the difference between such amounts being hereinafter called the "sinking fund deficiency"), the Company on May 1 of the next succeeding year or years shall remedy such sinking fund deficiency or deficiencies (but without interest thereon) to the extent of the Company's net income.

The Company may pay into the sinking fund on any May 1 the amount payable under clause (a) of this Section, plus any sinking fund deficiencies from prior periods, even if the amount so paid shall not have been earned in the preceding calendar year.

The Bonds of Series A shall be redeemable for sinking fund purposes, at the percentages of their principal amount set forth in Section 1.01 hereof.

At the option of the Company, sinking fund payments may be made in cash, or in Bonds of Series A theretofore issued and reacquired by the Company (otherwise than through the operation of the sinking fund

or with the proceeds of property released from the lien of this Indenture) and not theretofore made the basis for the authentication of Bonds or the withdrawal of deposited cash, with all unmatured coupons and matured coupons not fully paid attached, at the then applicable sinking fund redemption price, or at the cost thereof to the Company (exclusive of accrued interest and brokerage commissions), whichever is less, or partly in cash and partly in such Bonds.

On each such sinking fund payment date the Company shall deliver to the Trustee a statement showing in reasonable detail the net income of the Company for the preceding calendar year, certified to by the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company, stating that such net income has been determined as provided in this Section 4.01, and stating any other facts requisite to the determination of the amount of the payment due on such sinking fund payment date. Such statement shall also certify the cost to the Company (exclusive of accrued interest and brokerage commissions) of each Bond of Series A to be delivered to the Trustee for the sinking fund in lieu of cash and that each such Bond was theretofore issued and reacquired by the Company (otherwise than through the operation of any sinking fund or with the proceeds of any property released from the lien of this Indenture) and had not theretofore been made the basis for the authentication of Bonds or the withdrawal of deposited cash. The Trustee shall be protected in relying upon such statement and shall be under no duty to make any verification thereof, or investigation or inquiry as to any part thereof.

SECTION 4.02. At any time after the receipt of any sinking fund moneys and until a date forty-five days prior to the next January 1, the Trustee, in such manner and from time to time in such amounts as it may deem advisable in its discretion (or in such manner as may be requested by the Company and approved by the Trustee), shall apply such moneys, so far as the same shall be adequate, to the purchase of outstanding Bonds of Series A at a price (exclusive of accrued interest

and brokerage commissions) not exceeding the then current sinking fund redemption price for such Bonds or, if requested by the Company, the Trustee shall apply such moneys, so far as the same shall be adequate, to the redemption of outstanding Bonds of Series A for the sinking fund. Such purchases may be made by the Trustee from the Company at the market price thereof (exclusive of accrued interest) on the date of any such purchase from the Company as ascertained by the Trustee in any manner deemed by it to be reliable, or at the cost thereof to the Company (exclusive of accrued interest and brokerage commissions), whichever is less, but in no event at a price in excess of the current sinking fund redemption price thereof.

SECTION 4.03. If, upon the date limited as aforesaid, the Trustee shall not have purchased or redeemed Bonds of Series A in an amount sufficient to exhaust the sinking fund moneys available therefor, the amount of such moneys remaining unexpended, if \$10,000 or more (or any amount less than \$10,000, if so requested by the Company), shall be applied by the Trustee on the next January 1 to the redemption of outstanding Bonds of Series A at the current sinking fund redemption price thereof. Redemption of Bonds of Series A for the sinking fund shall be in the manner and with the same effect as hereinbefore in this Indenture provided with respect to redemption at the option of the Company.

Any such amount of less than \$10,000 not so to be applied shall be added to the next sinking fund installment and, together with said installment, be applied in accordance with the provisions of this Article.

For the purposes of Section 4.02 and Section 4.03 hereof, outstanding Bonds of Series A shall be deemed to include Bonds held or pledged by the Company only if such Bonds have been theretofore issued and reacquired by the Company (otherwise than through the operation of any sinking fund or with the proceeds of property released from the lien of this Indenture) and not theretofore made the basis for the authentication of Bonds or the withdrawal of deposited cash. The

Company shall deliver to the Trustee forty-five days prior to each January 1 beginning with January 1, 1952, a certificate of its President or a Vice President and its Treasurer or an Assistant Treasurer, setting forth the numbers and principal amounts of all Bonds of Series A then held or pledged by the Company and not theretofore issued and reacquired.

SECTION 4.04. Any Bonds of Series A acquired through the operation of the sinking fund, together with appurtenant coupons, shall be cancelled by the Trustee and no Bonds shall be issued hereunder in lieu thereof. The coupon Bonds of Series A and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company and to the Bond registrar. The cancelled registered Bonds of Series A shall be returned by the Trustee to the Bond registrar.

SECTION 4.05. The Company covenants to pay the compensation of the Trustee in administering the said sinking fund as provided herein, together with the Trustee's expenses, including the cost of advertisement of redemption notices and any other advertisements, and any customary broker's commission upon the purchase of any Bonds of Series A and any accrued interest payable with respect to any such Bonds purchased or redeemed, it being the intention that the aforesaid charges and accrued interest shall not be charged against sinking fund moneys.

SECTION 4.06. The Trustee shall not in any event be liable for the payment of principal of, premium, if any, or interest on any Bonds of Series A called for redemption as herein provided, except to the extent that it shall have funds in its hands or in the sinking fund or paid to it by the Company for such purpose.

SECTION 4.07. When the Company shall pay or cause to be paid the principal of all the Bonds of Series A with interest and premium, if any, according to their terms, or shall deposit with the Trustee in

trust for the holders thereof, an amount or amounts sufficient to pay the principal of all of said Bonds of Series A with interest and premium, if any, according to their terms, all moneys then held by the Trustee in the sinking fund (other than moneys then held for the payment of particular Bonds of Series A contracted to be purchased or in respect of which notice of redemption shall have been published) shall, upon demand of the Company, be paid to it.

No sinking fund moneys shall be applied to the purchase or redemption of Bonds of Series A or be paid over to the Company and no publication of notice of redemption shall be commenced or notice of redemption mailed during the continuance of an event of default under this Indenture of which the Trustee shall have notice, except that moneys then held for the payment of particular Bonds of Series A contracted to be purchased or in respect of which a first notice of redemption shall have been published, shall be applied to such purchase or redemption, and if publication of notice of redemption has been commenced the Trustee shall complete such publication and mail notice of such redemption. Except as aforesaid, any moneys in such sinking fund at the time when any such notice shall have been received by the Trustee shall be held, unless all such defaults are remedied, as additional security for the payment of the Bonds of Series A then outstanding.

## **ARTICLE FIVE.**

### **Particular Covenants of the Company.**

SECTION 5.01. The Company will duly and punctually pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds, at the dates and place, and in the manner prescribed in the Bonds, or in the coupons thereto belonging, according to the true intent and meaning thereof and will in case of default in the payment of interest or principal, to the extent permitted by law, pay interest at the rate of six per cent. (6%) per annum on all overdue installments of interest

and on overdue principal from the date such installments of interest and such principal shall become due and payable until payment or provision for payment shall be made.

At all times until the payment of the principal of the Bonds issued hereunder, the Company will maintain an office or agency in the Borough of Manhattan, City and State of New York, where such of said Bonds and coupons as are there payable may be presented for payment and where such of said Bonds as are registrable, transferable or exchangeable may be presented for registration, transfer or exchange and where notices or demands in respect of any and all of the Bonds and coupons secured by this Indenture may be served. In case any Bonds issued hereunder are made payable, registrable, transferable or exchangeable in any other city, the Company will maintain, so long as any of such Bonds are outstanding hereunder, an office or agency in such other city where such Bonds and their coupons may be presented for payment or where such Bonds may be presented for registration, transfer or exchange, as the case may be. From time to time, the Company will give notice to the Trustee of the location of any such agency or agencies and of any change of location thereof, and in case the Company shall fail to maintain any such agency or shall fail to give such notice of any change thereof, presentation and demand may be made and notices may be served at the principal office of the Trustee. As used in this Indenture the term "Bond registrar", or other equivalent term, shall be held and construed to mean the corporation or other person maintaining the office or agency selected as hereinabove provided where Bonds may be registered and the term "registry books", or other equivalent term, shall be held and construed to mean the books kept by such Bond registrar relating to the Bonds of any series issued hereunder.

SECTION 5.02. Whenever required by the Trustee, the Company will grant, convey, confirm, assign, transfer and set over unto the Trustee its estate, right, title and interest in or to all real and personal estate, rights and franchises which it may hereafter acquire and which by the Granting Clauses of this Indenture are subjected to the lien of

this Indenture or intended so to be, and will also do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the trust estate hereby mortgaged, or intended so to be, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal and interest of the Bonds intended to be hereby secured.

The Company will deliver to the Trustee annually in the month of June, beginning with June, 1951, a certificate signed by its President or a Vice President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any substantial items of real and personal estate, rights and franchises acquired within the previous calendar year. The Trustee shall be fully protected in accepting such certificate, shall have no duty of inquiry as to items of property acquired by the Company except to require such certificates to be furnished, and shall be under no duty to require an instrument granting, conveying, confirming, assigning, transferring and setting over unto the Trustee any such property if furnished with an opinion of counsel that no such instrument is necessary to subject all items of property set forth in such certificate to the lien of this Indenture in the manner intended by the Granting Clauses hereof.

The Company covenants that it is authorized to own and operate the lines of railroad and other property described in the Granting Clauses hereof and covenants and agrees to execute any and all instruments and do any and all acts and things necessary or proper to perfect its title to the same or any part thereof.

SECTION 5.03. The Company, except as hereinafter in this Section 5.03 and in Section 10.06 provided, will not voluntarily create or suffer to be created any lien or charge, having priority or preference over or equality with the lien of this Indenture on the property mortgaged by it hereunder, or upon the income and profits thereof, and, within six

months after the same shall accrue, it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence to this Indenture as a lien or charge upon the trust estate, or any part thereof, or the income thereof.

Nothing in this Section 5.03 contained shall require the Company to acquire, pay or discharge any such claim, demand, debt, lien or charge, so long as it in good faith shall contest the validity or the amount thereof, unless in the opinion of the Trustee such action might jeopardize the interests of the bondholders.

SECTION 5.04. The Company from time to time will pay and discharge all taxes, assessments and governmental charges, the lien of which would be prior to the lien hereof, lawfully imposed upon the property mortgaged by it hereunder, or upon the income and profits thereof, so that the lien and priority of this Indenture thereon shall be fully preserved at the expense of the Company without expense to the Trustee or to the bondholders in respect of such properties; and will also pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the interest of the Trustee in the trust estate.

Nothing contained in this Section 5.04 shall require the Company to pay any such tax, assessment or charge so long as it in good faith shall contest the validity or amount thereof, unless in the opinion of the Trustee such action might jeopardize the interests of the bondholders.

SECTION 5.05. If default shall be made in paying any sum which in Section 5.03 or Section 5.04 hereof the Company has covenanted to pay or discharge, the Trustee, without affecting any of its rights hereunder, from time to time in its discretion may pay any sum so in default, and thereupon shall have and forthwith may assert a lien for



such advances upon the trust estate and the proceeds thereof prior to the lien of the Bonds issued hereunder, *provided, however*, that such advances shall not exceed at any one time 5% of the principal amount of Bonds then outstanding.

SECTION 5.06. The Company shall diligently preserve all the rights and franchises to it granted and upon it conferred, and shall, at all times, to the extent needful and proper for the efficient and economical operation of its properties, maintain, preserve and keep, or cause to be maintained, preserved and kept, its railroads and property in good repair, working order and condition, and shall, from time to time, make all needful and proper repairs, renewals and replacements thereof.

The Company will, to the extent needful and proper for the efficient and economical operation of its properties, keep and maintain, or cause to be kept and maintained, in good order and condition, reasonable wear and tear excepted, all equipment upon which, or upon its interest in which, this Indenture shall be or become a lien, and the Company will use and apply, or cause to be used and applied, for that purpose so much of the earnings of the mortgaged railroads and property as may be required for such maintenance of such equipment and will at all times keep said mortgaged railroads supplied with sufficient equipment.

SECTION 5.07. In case the Company shall hereafter create any mortgage upon the railroads and property subject to the lien of this Indenture or any part thereof without the approval of the bondholders under Section 10.06 hereof, such mortgage shall be and shall be expressed to be subject to the prior lien of this Indenture for the security of all Bonds then issued or thereafter to be issued hereunder within any limitation of amount then or thereafter to be fixed as in this Indenture provided.

SECTION 5.08. The Company with all convenient speed will duly record, register and file and rerecord, reregister and refile this Indenture and every indenture supplemental hereto which hereafter may be executed as may be required by law in order to protect the lien hereof on the property covered hereby or intended so to be (or will cause the same to be done), and will pay or cause to be paid any recording, registration or filing tax or fee legally due upon the recording of this Indenture or of any indenture supplemental hereto or due at any time upon or in connection with the issuance of the Bonds hereunder, and will make such statements and do such acts now or hereafter as are or shall be required by it to be made or done under any law affecting the recording hereof or of any supplemental indenture.

SECTION 5.09. In case any shares of stock, bonds, evidences of indebtedness or other securities are at any time pledged hereunder, the Company will join with the Trustee in the execution of a supplemental indenture setting forth provisions for the control and release of such pledged securities in such form as may be at the time customary for the control and release of pledged securities under railroad mortgages.

SECTION 5.10. The Company will not amend or modify, by a new agreement or otherwise, the so-called "Operating Agreements" between Mississippi Valley Corporation, The Peoria and Eastern Railway Company, The New York, Chicago and St. Louis Railroad Company, Chicago and North Western Railway Company, The Pennsylvania Railroad Company, Chicago & Illinois Midland Railway Company and Gulf, Mobile and Ohio Railroad Company, respectively, and the Company relating to the use of the Company's lines of railroad and its switching, terminal and other facilities, so as to effect a reduction in the fixed amount payable annually pursuant to the terms of such "Operating Agreements" on the date of this Indenture.

**ARTICLE SIX.****Releases of Mortgaged Property.**

SECTION 6.01. From time to time the Company, subject to the conditions and limitations in this Article prescribed, and not otherwise, may sell, exchange for other property or otherwise dispose of (whether with or without consideration), and the Trustee, upon the delivery to the Trustee of the resolutions, opinion and certificates as in Section 6.03 hereof provided, shall release from the lien and operation of this Indenture:

(1) Any part of the lines of railroad (including the Company's Union Station at Peoria, Illinois) which are or shall be at any time subject to this Indenture or any leasehold, easement, trackage right or other interest or undivided or part interest therein, or any part thereof, which is or shall be at any time subject to this Indenture, provided:

That in the judgment of the Board of Directors of the Company, evidenced by a copy of resolutions of such Board delivered to the Trustee, (a) it shall no longer be necessary or expedient to retain such part of said lines of railroad or such leasehold, easement, trackage right or other interest or undivided or part interest therein, or part thereof, as a part of the lines of railroad subject to this Indenture, as aforesaid and (b) such release will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders.

(2) Any other property and any other rights or interests in property, including air rights, not hereinafter in this Article specifically mentioned, which, in the judgment of the Board of Directors of the Company, evidenced by a copy of a resolution of such Board delivered to the Trustee, as aforesaid, it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to this Indenture, or for use in the business of the Company.

SECTION 6.02. The Company may at any time, provided the general integrity and continuity of its lines be not broken thereby, make any change in location of its lines, tracks, station houses, buildings, or other structures situated upon any part of the trust estate, and in case of a change in location to premises not subject to the lien of this Indenture, the Trustee, subject to the provisions of Section 6.03 hereof, at the request of the Company, and upon subjection to the lien of this Indenture of such premises and the new or relocated lines, tracks, station houses, buildings, or other structures erected thereon, shall release from the lien of this Indenture the premises upon which the lines, tracks, station houses, buildings or other structures were originally located, and any part of such lines, tracks, station houses, buildings or other structures unremoved and remaining thereon, and shall execute and deliver any and all instruments necessary and proper to effect such purpose.

SECTION 6.03. Whenever requesting action by the Trustee pursuant to the foregoing Sections 6.01 and 6.02 of this Article, the Company shall deliver to the Trustee, in addition to the resolution required by Section 6.01 hereof:

(1) A copy of a resolution of its Board of Directors requesting the release of the property sold, exchanged or otherwise disposed of, or to be sold, exchanged or otherwise disposed of;

(2) A certificate signed by its President or a Vice President and by its Chief Engineer or his assistant or by its principal accounting officer or its Treasurer or an Assistant Treasurer, which shall set forth:

(a) A description of the property the release of which is requested;

(b) The selling price of the property the release of which is requested, or a description of the property, if any, to be received in exchange or to be substituted therefor, or, if the property is to be disposed of otherwise than by sale or exchange,

the benefits to be received by the Company or the resulting enhancement in value of the remainder of its property subject to the lien of this Indenture;

(c) The fair value of the property the release of which is requested; and if any property is to be received in exchange or is to be substituted therefor, the fair value thereof (after deducting prior liens thereon, other than undetermined liens or charges ordinarily incident to construction or operation and liens for taxes for the current year or of taxes or assessments not then delinquent, being herein referred to as excepted liens) and, if the property is to be disposed of otherwise than by sale or exchange, that the fair value of the property a release of which is requested is not greater than the value to the Company of the benefits to be received by the Company or the resulting enhancement in value of the remainder of its property subject to the lien of this Indenture.

(3) An opinion of counsel stating that the action so requested is authorized by the provisions of this Article, and that the resolutions and certificates furnished to the Trustee in connection therewith are in compliance with the provisions of this Section 6.03.

(4) If the property the release of which is requested is to be sold, the consideration to be received therefor or the fair value of such property, whichever is greater; and if such property is to be exchanged or other property substituted therefor, the amount, if any, by which the fair value of the property the release of which is requested exceeds the fair value of the property to be received in exchange or substituted therefor (after deducting prior liens thereon, other than excepted liens).

(5) Unless in the opinion of counsel no such supplemental indenture is necessary and, subject to the requirements of any mortgage or other instrument constituting a prior lien on such property, a supplemental indenture conveying to the Trustee the property received in exchange for the property the release of which is requested.

SECTION 6.04. From time to time the Company may abandon the operation of any line of railroad or terminal or any portion thereof and may surrender any franchise or portion thereof without any action by the Trustee, if (a) such abandonment or surrender be made either (i) pursuant to the authority of the Interstate Commerce Commission or (ii) by virtue of an agreement with or action by the Federal government or any State, municipality, or other political division or subdivision of a State or any governmental agency or (iii) in accordance with some legal requirement, and (b) the line of railroad or terminal or portion thereof so abandoned, or the franchise or portion thereof so surrendered, is no longer necessary or advantageous for use in the business of the Company.

Prior to any such abandonment or surrender the Company shall deliver to the Trustee (a) a certificate, signed by the President or a Vice President and the principal accounting officer or the Treasurer or an Assistant Treasurer of the Company, describing the property to be abandoned or the franchise or portion thereof to be surrendered and stating that such property, or such franchise or portion thereof, is no longer necessary or advantageous for use in the business of the Company, and (b) an opinion of counsel that such abandonment or surrender is permitted under the provisions of this Section 6.04 and that any requisite approval of the Interstate Commerce Commission has been obtained, and (c) a certified copy of any order or agreement pursuant to which such abandonment or surrender is to be made.

The Company shall have full power, in its discretion and without notice to or action by the Trustee, to sell, exchange for other property or otherwise dispose of, free from the lien of this Indenture, any property so abandoned, but (subject to the requirements of any mortgage or other instrument constituting a prior lien on such property) any cash received on the disposition thereof shall be paid to the Trustee and any property received upon the disposition thereof shall be subjected to the lien of this Indenture by a supplemental indenture unless, in the opinion of counsel, no such supplemental indenture is necessary.

SECTION 6.05. The Company may from time to time sell, exchange or otherwise dispose of free from the lien of this Indenture and without release by the Trustee, any of its property at any time subject to the lien hereof and not used or useful for railroad purposes, not exceeding in any one calendar year a total of Ten Thousand Dollars (\$10,000) in value at the date of disposition, the Company agreeing in each case that it shall expend or, cause to be expended, the proceeds of any such sale or other disposal to replace the property, so sold or otherwise disposed of, by other property not necessarily of the same character but of at least equal value. All such substituted property and all property received in exchange for property which was subject to the lien hereof shall forthwith or by appropriate supplemental indenture become subject to the lien hereof.

In order to clear the title of record of the property sold, exchanged or otherwise disposed of in accordance with this Section 6.05, the Trustee shall from time to time, at the request of the Company, execute and deliver confirmatory releases or certificates that such property is free from the lien of this Indenture upon receiving a certificate signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, specifying the property to be released, stating that it is not used or useful for railroad purposes and stating the value of all property theretofore sold, exchanged or otherwise disposed of pursuant to the terms of this Section 6.05 within the calendar year in which the request for release is made.

The Company will deliver to the Trustee annually in the month of June, after the year 1950, a certificate signed by its President or a Vice President and by its Treasurer or an Assistant Treasurer setting forth in reasonable detail all property and the value thereof sold, exchanged or otherwise disposed of free from the lien of this Indenture within the previous calendar year, the value of the consideration received in exchange at the date of receipt thereof, and all replacements of such property so sold or otherwise disposed of and the value

thereof. The Company shall pay to the Trustee in cash an amount equal to any excess of the value of the property so disposed of over the value of the property received in exchange therefor and the value of the replacements, all as set forth in such certificate.

SECTION 6.06. If by final decree of any court having jurisdiction in the premises the Company shall be required to part with the ownership, possession or operation of any portion or portions of the trust estate, then in that event the portion or portions with which it may be so required to part shall, notwithstanding the foregoing provisions of this Article, be released from the lien of this Indenture:

(1) If the Trustee is a party to the action or proceeding in which such decree shall have been entered, then on such terms and conditions as in such decree may be prescribed; or

(2) If the Trustee shall not be a party to such action or proceeding, then on such terms and conditions as may be satisfactory to the Trustee in its discretion; and

(3) Upon receipt by the Trustee of any consideration received by the Company for the portion or portions of the trust estate so to be released or upon making arrangements satisfactory to the Trustee for the subsequent receipt by the Trustee of such consideration.

SECTION 6.07. The resolutions, opinions and certificates hereinbefore provided to be furnished to the Trustee may be received by the Trustee as conclusive evidence of any of the facts or of the continuance of any condition or of anything by this Article required to be established or shown in order to authorize the action sought in respect of any property forming the subject of such resolutions, opinions and certificates, and shall be full warrant to the Trustee for any action taken on the faith thereof, but the Trustee, in its discretion, may require at the expense of the Company such further and additional evidence as to it may seem reasonable.



SECTION 6.08. The Company shall have full power in its discretion and without notice to or action by the Trustee from time to time:

(1) (a) to alter, remove, demolish or retire from service any building or structure or industry tracks or side tracks or yards tracks or other property on the trust estate which may have become unfit or undesirable for use or which it may deem necessary or desirable to alter, remove, demolish or retire in connection with the maintenance or operation of or in the improvement of the trust estate, and (b) to dispose of any portion of the fixtures, equipment, cars, locomotives and other rolling stock, machinery, apparatus and portable personal property at any time subject to the lien hereof, which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous longer to retain for use upon the trust estate; in each case replacing the same with, or substituting therefor, other properties, not necessarily of the same character but having a value at least equal to the value of the old property at the time of its disposition or, if it be sold, to the consideration therefor received by the Company, and such new property shall become subject to the lien of this Indenture;

(2) to make any lease of, or to grant trackage rights upon, any part of the trust estate, or to enter into any contract affecting the same, subject to the prior lien of this Indenture, *provided, however*, that any such lease of the Union Station in Peoria, Illinois, or of a substantial part of the lines of railroad subject to the lien of this Indenture, or any such trackage agreement or contract granting trackage rights over a substantial part of such lines of railroad, unless expressly terminable by the Company upon three years' notice or less, shall be expressly terminable at the election of the Trustee in case of the happening of an event of default hereunder, or at the election of the purchaser at any foreclosure sale of the property subject to such lease, agreement or contract; but nothing in this Section 6.08 contained shall be construed as giving the Company power to make any such lease, or to grant any such trackage rights, or to enter into such contract, unless such lease, trackage rights or contract shall be subordinate to the prior lien of this Indenture; or

(3) To make changes or alterations in, or substitutions for, any leases, trackage rights, agreements or contracts, the rights of the Company under which are subject to the lien of this Indenture; *provided*, that such change, alteration or substitution, in the judgment of the Board of Directors of the Company, will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders. Any changed, amended or supplemental lease, trackage rights or contract forthwith shall be subject to this Indenture in the same manner and to the same extent as that previously existing.

SECTION 6.09. All moneys and property received for property released as provided in this Article, and all moneys receivable as compensation for any property subject to this Indenture taken by the exercise of the power of eminent domain, and any and all other moneys at any time receivable by the Trustee, except to the extent that any such moneys shall be applied in accordance with the provisions of this Indenture particularly applicable thereto and except to the extent that such moneys and property shall be required to be deposited with the trustee of any indenture constituting a prior lien on the property released, shall be paid over and conveyed to and shall be received and held by the Trustee as part of the deposited cash and mortgaged property hereunder. Any of such moneys, at the request of the Company, if no event of default shall have happened and be continuing, shall be applied by the Trustee from time to time as hereinafter provided in sub-paragraphs (1), (2) and (3) of this Section 6.09.

(1) In case the Company shall desire any of such moneys to be applied by the Trustee to the purchase of Bonds, the Company shall request the Trustee, in writing, to apply a specified amount of such moneys to the purchase of Bonds of one or more designated series. The Trustee shall thereupon proceed to purchase such Bonds, if available, at a price (exclusive of accrued interest and brokerage commissions) not exceeding the redemption price then prevailing for redemption of such Bonds at the option of the Company, and accrued interest,

brokerage commissions and premium, if any, shall be paid by the Company. Such purchases may be made by the Trustee from the Company at the lesser of the cost thereof to the Company (exclusive of accrued interest and brokerage commissions) and the market price thereof (exclusive of accrued interest) on the date of any such purchase as ascertained by the Trustee in any manner deemed by it to be reliable, but in no event at a price in excess of the redemption price then prevailing for redemption of Bonds of the series in question at the option of the Company; but the Trustee shall purchase from the Company only Bonds theretofore issued and reacquired by the Company (otherwise than through the operation of any sinking fund or with the proceeds of property released from the lien of this Indenture) and not theretofore made the basis for the authentication of Bonds or the withdrawal of deposited cash.

(2) In case the Company shall desire any such moneys to be applied by the Trustee to the redemption of Bonds of one or more series as may be determined by the Company, the Company shall deliver to the Trustee the following instruments:

(a) A copy of resolutions of its Board of Directors requesting the Trustee to apply, on a date or dates to be specified therein a specified amount of such moneys to the redemption of Bonds issued hereunder and specifying the one or more series of such Bonds to be redeemed, and if more than one, then the proportion of such moneys to be applied to each designated series; provided, that the date or dates so specified shall be a date or dates upon which Bonds of the designated series may be redeemed according to their terms; and

(b) A certificate signed by its President or a Vice President and the principal accounting officer or Treasurer or an Assistant Treasurer of the Company, certifying that to the knowledge of the signers no event of default as defined in Section 8.02 hereof has happened and is continuing.

Upon delivery of the instruments required by the foregoing provisions of this paragraph, the Trustee shall, from said moneys then held by it hereunder, set aside the amount specified in said resolutions, and shall select by lot, as provided in Article Three hereof, a sufficient number of Bonds of each of the designated series to absorb the moneys (in the case of the redemption of Bonds of more than one series, then in the proportions applicable to each series as designated by the Company) so set apart at the principal amount of such Bonds payable on a specified redemption date or dates; and the Company shall thereupon cause the required notice of redemption of the Bonds so selected to be given, and, on and after the redemption date, the Trustee shall apply the moneys so set aside to the redemption of such Bonds in accordance with the provisions relating thereto, provided accrued interest and premium, if any, on such Bonds to the date fixed for redemption has been provided by the Company otherwise than out of such moneys.

All Bonds purchased or redeemed pursuant to this Section 6.09, together with the appurtenant coupons, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company. The cancelled registered Bonds shall be returned by the Trustee to the Bond registrar. No Bonds shall be issued in lieu of Bonds so purchased or redeemed.

(3) The Company shall have the right at any time and from time to time to withdraw from the Trustee any and all moneys received by or deposited with it under this Article and at the request of the Company, the Trustee shall pay over such moneys to the Company upon being furnished with the following instruments:

(a) A copy of the resolutions of the Board of Directors of the Company requesting the Trustee to pay the moneys over to it and specifying that the moneys will be used to pay for, or reimburse the Company for property constructed or acquired by it after December 31, 1949 representing investment in road and

equipment property, improvements on leased property (the lease of which is pledged hereunder) or miscellaneous physical property;

(b) A certificate signed by the President or a Vice President and the principal accounting officer of the Company or the Treasurer or an Assistant Treasurer setting forth in reasonable detail a description of the particular expenditures including the location and cost thereof and the accounts to which chargeable, and all applicable credits; stating that the cost or the fair value, whichever is the lesser, of the property constructed or acquired for which payment or reimbursement is sought is equal to or in excess of the amount of moneys sought to be withdrawn from the Trustee; that all such investment was in road and equipment property, improvements on leased property (the lease of which is pledged hereunder) or miscellaneous physical property, as such terms are defined in Section 2.03 hereof; that, to the knowledge of the signers, no event of default as defined in Section 8.02 hereof has happened and is continuing; and, that none of such investment has been included in any certificate filed pursuant to Section 2.03 or Section 2.06 hereof or in any application for the payment of deposited cash pursuant to this Section 6.09;

(c) An opinion of counsel that the investment of the Company specified in said certificate does not include any investment by the Company in property not subject to the lien of this Indenture or in property leased to the Company under a lease not pledged under this Indenture.

SECTION 6.10. Any property or rights received by the Company in exchange or substitution for any property or rights released from the lien of this Indenture or which is made the basis of withdrawal of deposited cash shall, subject to the requirements of any mortgage or other instrument constituting a prior lien thereon, be and become subject to this Indenture as a first lien as fully as if specifically mortgaged hereby, but, if requested by the Trustee, the Com-

pany will convey the same to the Trustee or declare the Trustee's interest therein, by appropriate deeds, assignments or declarations upon the trusts and for the purposes of this Indenture, and the Company shall furnish to the Trustee a written opinion of counsel, to the effect that such deeds, assignments or declarations are sufficient for that purpose, or in lieu of such instruments, a written opinion of such counsel that no such deeds, assignments or declarations are necessary for such purpose.

SECTION 6.11. The purchaser of any property released shall not be required to see to the application of the purchase money.

SECTION 6.12. In case the trust estate shall be in possession of a receiver or a trustee in bankruptcy or a trustee in reorganization proceedings, the powers conferred by this Article upon the Company, may be exercised by the receiver or trustee with the approval of the Trustee, and if the Trustee shall be in possession of the trust estate under any provision of this Indenture, then all the powers by this Article conferred upon the Company, may be exercised by the Trustee, in its discretion. In case of the exercise of said powers by a receiver or trustee, such receiver or trustee shall deliver to the Trustee, in lieu of the resolutions, certificates and opinions by this Article required to be delivered to the Trustee by the Company, appropriate orders of court, certificates of such receiver or trustee and opinions of counsel for such receiver or trustee.

SECTION 6.13. Anything in this Article to the contrary notwithstanding, the Trustee may, but shall not be required to, release from the lien of this Indenture any property subject to the lien hereof as in and by this Article provided for, notwithstanding that at the time such release be requested, any of the events of default enumerated in Section 8.02 hereof shall have happened and be continuing, but the provisions of this Section are not intended to limit or affect the provisions of Section 6.13 hereof.

**ARTICLE SEVEN.****Concerning the Trustee.**

SECTION 7.01. The Trustee accepts the trust hereby created but only upon the following terms and conditions, to all of which the Company and all of the holders of the Bonds, by their acceptance thereof, agree:

(1) The recitals herein and in the Bonds contained shall be taken as the statements of the Company and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the value or condition of the mortgaged property or any part thereof, or as to the security afforded thereby and hereby, or as to the validity of the lien of this Indenture or as to the validity of the Bonds issued hereunder, and the Trustee shall incur no responsibility in respect of any such matters, nor shall the Trustee be liable for the performance of the covenants contained in any lease which may at any time hereafter become, subject to the lien of this Indenture provided, however, that nothing herein contained shall relieve the Trustee of its duty to authenticate Bonds only as authorized by the Indenture.

(2) The Trustee shall be under no duty to file, register or record or cause to be filed, registered or recorded this Indenture, or any supplement thereto, as a mortgage, conveyance or transfer of real or personal property or otherwise or to refile, reregister or rerecord or renew the same, and the holders of all the Bonds release the Trustee of and from its failure so to file, register or record or refile, reregister or rerecord or renew this Indenture or any such supplement, and the bondholders shall rely solely upon the Company and not upon the Trustee for said filing or registering or recording or refiling or reregistering or rerecording or renewing, and the Trustee shall be under no duty or obligation with respect thereto, except to receive and hold the opinion or opinions of counsel hereinafter referred to. The Company will furnish to the Trustee, promptly after the execution and delivery of this Indenture, an opinion or opinions of counsel stating that this

Indenture has been properly recorded and filed so as to make effective the lien thereof, and reciting the details of such action. The Company will also furnish to the Trustee on or before January 1, 1953, and at the end of every three-year period thereafter, an opinion or opinions of counsel stating either that in the opinion of such counsel such action has been taken with respect to the recording, filing, rerecording or refiling of this Indenture or any supplement thereto as is necessary to keep effective the lien thereof, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to keep effective the lien of this Indenture or any supplement thereto. The Trustee shall be entitled conclusively to rely upon such opinions of counsel so furnished to the Trustee. The Trustee shall be under no duty to procure or renew nor be liable for any failure of the Company to procure or renew insurance or for the responsibility of insurers or for the failure of the Company to pay any tax or taxes with respect to the mortgaged property or any part thereof or otherwise, nor shall the Trustee be under any duty with respect to any tax which may be assessed against the Company or against the holders or owners of the Bonds outstanding hereunder, in respect of the mortgaged property. The Trustee shall be under no responsibility or duty with respect to the disposition of the Bonds authenticated and delivered hereunder or the application of the proceeds thereof or of any moneys paid to the Company under any of the provisions hereof.

Should any taxes or other governmental charges be imposed upon the Trustee in its capacity as Trustee hereunder, which it may be required to pay under any present or future law of the United States of America or of any other authority therein having jurisdiction, the Trustee shall be reimbursed and indemnified therefor by the Company and any liability incurred or amounts paid by the Trustee in respect of any such taxes or other governmental charges, until paid, shall constitute a lien upon the mortgaged property prior to any claim by the holders of Bonds.

(3) The Trustee may execute any of the trusts under this Indenture or exercise any of the powers hereby vested in the Trustee or perform any duty hereunder either itself or by or through its attorneys, agents or employees, and the Trustee



shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees provided reasonable care has been exercised in the selection thereof, nor shall the Trustee be otherwise answerable or accountable under any circumstances whatsoever, except for its own individual negligence or bad faith. The Trustee may conclusively assume that there has been no default hereunder unless and until the Trustee shall have been specifically notified in writing of said default by the Company, or by the holders of ten per cent. (10%) in aggregate principal amount of the Bonds then outstanding. The Trustee shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustee, furnish it with reasonable security and indemnity against the cost and expenses of said proceeding; but this provision shall not affect any discretionary power herein given to the Trustee to determine whether or not the Trustee shall take action in respect of such default or otherwise.

(4) Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee on the Company, shall be deemed to have been sufficiently given and served for all purposes by being deposited postage prepaid in a United States post-office letter box or mail-chute, addressed (until another address is filed by the Company with the Trustee) as follows: Peoria and Pekin Union Railway Company, Peoria 2, Illinois.

(5) The Trustee shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Trustee for inspection if required, and the title thereto established to the satisfaction of the Trustee, if disputed.

(6) The Trustee shall be protected with respect to any action taken, suffered or omitted by it in reliance upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document

or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustee may consult with counsel (who may be of counsel for the Company) and the opinion of such counsel shall be full and complete authority and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of said counsel and shall be conclusive upon the Company and upon all holders of the Bonds. Whenever an opinion of counsel is required under the terms of this Indenture, the Trustee need not accept or act upon the same unless such counsel shall be satisfactory to the Trustee. The Trustee shall not be under any responsibility for the selection, appointment or approval of any accountant, appraiser, counsel or other nominee for any of the purposes expressed in this Indenture, provided that the Trustee shall have exercised reasonable care in any such selection, appointment or approval made by it.

(7) Upon any application for the payment of any moneys held by the Trustee under any provision of this Indenture or for the execution of any release or upon any other application to the Trustee hereunder, the resolutions, certificates, statements, appraisals, opinions, reports, orders and other papers required by any of the provisions of this Indenture to be delivered to the Trustee as a condition of the granting of said application, may be received by the Trustee as conclusive evidence of any statement or opinion therein contained and shall be full warrant, authority and protection to the Trustee acting on the faith thereof not only in respect of the statements therein made but also in respect of the opinions therein set forth. Before granting any application the Trustee shall not be under any duty to make any further investigation into the matters appearing to it to be covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, but if requested so to do by writing delivered to the Trustee, prior to action had thereon, by the holders of not less than ten per cent. (10%) in principal amount of the outstanding Bonds, and only if furnished with security and indemnity satisfactory to it against the costs and expenses of the investigation, the Trustee shall make such further investigation as to it may seem proper; but it may in its discretion make any such independent inquiry or investigation as it

may see fit. If the Trustee shall determine or shall be requested as aforesaid to make said further investigation, it shall be entitled to examine the books, records and premises of the Company, itself or by agent or attorney; and unless the Trustee shall be satisfied with or without said examination of the truth and accuracy of the matters stated in said resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustee shall not be under any obligation to grant the application. If after said examination or other inquiry the Trustee shall determine to grant the application, it shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Trustee shall be repaid by the Company upon demand, with interest at such rate or rates as may be agreed upon, but not exceeding the rate of four per cent. (4%) per annum, and until said repayment, shall be secured by a lien on the mortgaged property and the proceeds thereof, prior to the lien of the Bonds issued hereunder.

(8) The Company covenants and agrees to pay to the Trustee from time to time on demand of the Trustee reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of the trustee of an express trust) for all services rendered by the Trustee hereunder and also all its reasonable expenses and counsel fees and other disbursements and those of its attorneys, agents and employees incurred in and by the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder. In default of payment by the Company, the Trustee shall have a lien therefor on the mortgaged property and the proceeds thereof, prior to the lien of the Bonds issued hereunder.

(9) Whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by certificates signed by the President or a Vice President and the Treas-

urer or an Assistant Treasurer or the Secretary or Assistant Secretary of the Company and bearing the corporate seal of the Company and delivered to the Trustee, and said certificates shall be full warrant to the Trustee for any action taken, suffered or omitted by it in good faith in reliance thereon, but in its discretion the Trustee may in lieu thereof accept other evidence of the fact or matter or may require such further or additional evidence as may seem reasonable.

(10) Subject to the provisions of Section 15.01 hereof, the Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit, pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any such moneys during the period such moneys shall remain on deposit with it, except such interest as the Trustee may agree on with the Company.

(11) The Trustee or any company in or with which the Trustee may be interested or affiliated, or any officer or director or trustee or stockholder of the Trustee or of any such company, may acquire and hold Bonds issued hereunder, or may engage in or be interested in any financial or other transaction with the Company, or any corporation in which the Company may be interested, and the Trustee may act as depositary, trustee, transfer agent, paying agent, registrar or agent for the Company, or for any committee or other body, firm or corporation in respect of any bonds, notes or other securities, whether or not issued pursuant hereto.

(12) Any action at any time taken by the Trustee pursuant to or with respect to this Indenture, at the request or with the consent or approval (expressed or implied) of any person who at the time is the holder of any Bond secured hereby, shall be conclusive and binding upon all future holders of such Bond.

(13) The Trustee may construe any of the provisions of this Indenture, in so far as the same may appear to be ambiguous or inconsistent with any other of such provisions; and any construction so placed upon any provision hereof by the Trustee in good faith and in accordance with the advice of counsel (who may be of counsel to the Company) shall be binding upon the Company and upon all holders of the Bonds.

(14) The Trustee shall not be liable for anything which it may do or refrain from doing in connection herewith, except for its own negligence or bad faith.

SECTION 7.02. Any moneys which at any time shall be deposited under this Indenture with the Trustee by or for the account of the Company shall be held in trust by the Trustee until paid conformably with the provisions of this Indenture.

SECTION 7.03. The Trustee or any successor trustee may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company and publishing notice thereof, specifying a date when the resignation shall take effect, once a week for two successive calendar weeks in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and the resignation shall take effect on the date specified in the notice, unless previously a successor trustee shall have been appointed by the bondholders or the Company as hereinafter provided, in which event the resignation shall take effect immediately upon the appointment of said successor trustee.

The Trustee may be removed at any time by the holders of two-thirds in principal amount of the Bonds hereby secured by an instrument or concurrent instruments signed by such bondholders or their attorneys-in-fact duly authorized.

The Trustee so resigning or removed shall be entitled to reasonable compensation, then accrued and unpaid, and the reimbursement of proper expenses theretofore incurred and not previously reimbursed.

SECTION 7.04. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver of the Trustee or of any successor or of its property shall be appointed, or if any public officer in the

exercise of his official powers shall take charge or control of the Trustee or of any successor or of its property or affairs, at any time within one year after the happening of any of said events, a successor hereunder may be appointed by the holders of a majority in principal amount of the Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by said bondholders, or by their attorneys-in-fact duly authorized, and delivered to such new trustee hereunder, notification thereof being given to the Company and the predecessor trustee; provided, that until a new trustee shall be appointed hereunder by the bondholders as aforesaid the Company by instrument executed by order of its Board of Directors and duly acknowledged by its proper officers may appoint a trustee hereunder to fill the vacancy until a new trustee hereunder shall be appointed by the bondholders as herein authorized. The Company shall publish notice of any such appointment by it made once in each week for two consecutive calendar weeks in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York. Any such new trustee appointed by the Company shall immediately and without further act be superseded by a trustee hereunder appointed by the bondholders as above provided.

Every trustee appointed in succession to the Trustee, or its successor in the trust, shall be a trust company or a banking corporation in good standing and having a capital and surplus aggregating at least \$2,000,000, if there be such a trust company or banking corporation qualified, able and willing to accept the trust upon reasonable and customary terms.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section 7.04 within one year after the happening of any of the events set forth in the first paragraph of this Section 7.04, the holder of any Bond or any retiring trustee hereunder may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such

notice, if any, as said court may deem proper and prescribe, appoint a successor trustee.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor trustee and also to the Company an instrument accepting the appointment hereunder, and thereupon said successor trustee without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the retiring trustee shall nevertheless on the written request of the Company or of the successor trustee and upon payment of its unpaid compensation and expenses, if any, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in said successor trustee all the right, title and interest of the retiring trustee which it succeeds, in and to the mortgaged property and said rights, powers, trusts, duties and obligations; and the retiring trustee shall also upon like request and payment of its unpaid compensation and expenses, as aforesaid, pay over, assign and deliver to the successor trustee any money and other property subject to the lien of this Indenture. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to the new trustee said estates, rights, powers and duties, any and all said deeds, conveyances and instruments in writing shall on request be executed, acknowledged and delivered by the Company.

SECTION 7.05. Any corporation into which the Trustee may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Trustee shall be a party, or any corporation succeeding to the banking business of the Trustee, shall be the successor trustee under this Indenture without the execution or filing

of any paper or the performance of any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.06. If at any time or times, in order to conform to any law of any locality in which the Company may hold property, the Company shall so request, the Company and the Trustee shall unite in the execution and delivery of all instruments and agreements necessary or proper to appoint another corporation or one or more persons, approved by the Trustee, to act either as co-trustee or as co-trustees, for any purpose of this Indenture, of all or any of the property subject to this Indenture jointly with the Trustee originally named herein or its successors, or to act as separate trustee or trustees of any such property. Every instrument appointing a successor or additional trustee shall refer to this Indenture and the conditions in this Section 7.06 expressed, and upon the acceptance in writing by such successor or additional trustee or trustees, he, they or it shall be possessed of the estates and property specified in said instrument, either jointly with the Trustee, or separately, as may be provided, subject to the provisions of this Indenture. Every such instrument shall be recorded, filed and registered wherever this Indenture is recorded, filed or registered, and also shall be filed with the Trustee.

## **ARTICLE EIGHT.**

### **Remedies of Trustee and Bondholders.**

SECTION 8.01. The Company will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupon or claim for interest on any of the Bonds, and it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or refunding said coupons or claims for interest or in any other manner. If the time for payment of any such coupon or claim for interest shall be so extended, whether or not by or with the consent of the Company, such coupon or claim for interest shall not be entitled in case of default here-



under, to the benefit of the security of this Indenture, except subject to the prior payment in full of the principal of all Bonds hereby secured and all coupons and interest on such Bonds the payment of which shall not have been extended; provided, however, that the foregoing provisions of this Section 8.01 shall not be applicable to any coupon or claim for interest the time for the payment of which shall have been extended, if such extension be pursuant to a plan proposed to all holders of any one or more series of Bonds secured hereby.

SECTION 8.02. If one or more of the following events, herein called events of default, shall happen, that is to say:

(1) If default shall be made in the payment of any installment of interest on any of the Bonds when and as the same shall become payable, as therein expressed, and such default shall continue for sixty days; or

(2) If default shall be made in the payment of the principal of any of the Bonds when the same shall become due and payable either by the terms thereof or otherwise as herein provided; or

(3) If default shall be made in the payment of any installment of any sinking fund provided in respect of any Bonds when and as the same shall become due and payable in accordance with the provisions of this Indenture or any indenture supplemental hereto, and such default shall continue for sixty days (or for such time as may be specified in any supplemental indenture establishing such sinking fund); or

(4) If default shall be made in the payment, observance or performance of any other of the covenants, conditions and agreements on the part of the Company in the Bonds or in this Indenture or any indenture supplemental hereto contained, and such default shall continue for ninety days (or in case of any default provided by a supplemental indenture for such time as may be specified therein) after written notice specifying such default shall have been given to the Company by the Trustee, which notice may be given by the Trustee in its discretion and shall

be given on the written request of the holders of ten per cent. (10%) in principal amount of the Bonds at the time outstanding; or

(5) If default shall be made in the payment of the principal of or interest on any bonds secured by a lien prior to the lien of this Indenture on any of the properties subject to the lien of this Indenture and such default shall continue for sixty days; or

(6) If an application shall be made for the appointment of a receiver or trustee in bankruptcy of all or a substantial part of the property of the Company, or for a reorganization of the Company under the provisions of the Bankruptcy Act or any other law, Federal or State, or to invoke for the Company the advantage of any law in aid of debtors, and if either (a) such application be made, consented to or acquiesced in by the Company, or (b) a receiver or trustee in bankruptcy be appointed by an order or decree of a court of competent jurisdiction and such order shall continue unstayed on appeal, or otherwise, and in effect for a period of sixty days;

then and in each and every such case, the Trustee, personally or by its agent or attorneys, may enter into and upon all or any part of the mortgaged property, and each and every part thereof, and may exclude the Company, its agents and servants, wholly therefrom, and having and holding the same may use, operate, manage and control said premises, and conduct the business thereof, either personally or by its agents, receivers or trustees, in such manner as the Trustee may deem to be to the best advantage of the holders of the Bonds and upon every such entry the Trustee, at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and insure and keep insured, the property and structures erected or provided for use in connection with said railroads and other premises, in the same manner and to the same extent as is usual with railroad companies, and likewise from time to time, at the expense of the trust estate, may make all necessary or proper repairs,

renewals and replacements, and useful alterations, additions, betterments and improvements thereto and thereon, and purchase or otherwise secure the use of additional engines, rolling stock, tools, machinery and other property for use thereon, as to such Trustee may seem judicious; and, in such case, the Trustee shall have the right to manage the trust estate and to carry on the business and exercise all rights and powers of the Company, either in the name of the Company or otherwise, as such Trustee shall deem best; and shall be entitled to collect and to receive all rates, fares, tolls, earnings, incomes, rents, issues and profits of the same and every part thereof, including the income from stock, bonds or other obligations subject to this Indenture; and after deducting the expenses of operating said railroads and other premises, and of conducting the business thereof, and the cost of all repairs, maintenance, renewals, replacements, alterations, additions, betterments, and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the said premises and property, or any part thereof, as well as just and reasonable compensation for its services, and for all attorneys, counsel, agents, clerks, servants and other employees by the Trustee, properly engaged and employed, the Trustee shall apply the moneys arising as aforesaid as follows:

(1) If the principal of none of the Bonds shall have become due and be unpaid, *first*, to the payment of the interest in default, in the order of the maturity of the installments of such interest, with interest to the extent permitted by law on such overdue installments of interest at the rate of six per cent. (6%) per annum, such payments to be made ratably to the persons entitled thereto, without discrimination or preference, subject to the provisions of Section 8.01 hereof, and *second*, to the payment, ratably, of any moneys then due or overdue with respect to the sinking fund provided in respect of any Bonds, in accordance with the terms as herein or therein provided;

(2) If the principal of any of the Bonds shall have become due, by declaration or otherwise, and shall be unpaid, *first*, to the

payment of any interest in default on the Bonds, in the order of the maturity of the installments of such interest, with interest to the extent permitted by law on such overdue installments of interest at the rate of six per cent. (6%) per annum, and, *second* (subject to the provisions of Section 8.03 hereof), to the payment of the principal with interest on the overdue principal at the rate of six per cent. (6%) per annum; in every instance such payments to be made ratably to the persons entitled to such payment, without any discrimination or preference, subject to the provisions of Section 8.01 hereof.

SECTION 8.03. In case one or more of the events of default described in Section 8.02 of this Article shall happen, then, during the continuance of such default, the Trustee may and, upon the written request of the holders of twenty-five per cent. (25%) in principal amount of the Bonds hereby secured then outstanding, the Trustee shall, by notice in writing delivered to the Company, declare the principal of all Bonds hereby secured and then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Indenture or in said Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition, that, if at any time after the principal of said Bonds shall have been so declared due and payable, and before any sale of the mortgaged property shall have been made, all arrears of interest upon all such Bonds (other than interest which would not have been due except for such declaration), and the expenses of the Trustee, its agents and attorneys, and all other indebtedness secured hereby (except the principal of any Bonds which would not have been due except for such declaration) shall be paid by the Company, or be collected out of the trust estate before any sale of the trust estate shall have been made, and all other defaults made good to the satisfaction of the Trustee, then and in every such case the holders of a majority in principal amount of the Bonds hereby secured then outstanding, by written notice to the Company and to the Trustee, may waive such default or defaults and its or their consequences and annul

such declaration of the maturity of the principal of the Bonds; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture, by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored to their former positions and rights hereunder in respect of the trust estate and all rights, remedies and powers of the Trustee, of the bondholders, and of the Company shall continue as though no such proceedings had been taken.

SECTION 8.04. If one or more of the events of default described in Section 8.02 hereof shall happen, and shall be continuing, the Trustee, with or without entry, personally or by attorney, in its discretion may:

(1) Sell to the highest bidder, all and singular the trust estate, property and premises, rights, franchises and interest and appurtenances, and other real and personal property of every kind covered by this Indenture, and all right, title and interest, claim and demand therein, and right of redemption thereof, in one lot and as an entirety, unless a sale in parcels shall be required under the provisions of Section 8.06 hereof, in which case such sale may be made in parcels as in said Section provided; and such sale or sales shall be made at public auction at such place in the City of Peoria, Illinois, or at such other place or places, and at such time and upon such terms, as the Trustee, acting therein, may fix and briefly specify in the notice of sale to be given as hereinafter in Section 8.07 hereof provided; or

(2) Proceed to protect and enforce the rights of the Trustee and the rights of the holders of the Bonds secured by this Indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture, or for the enforcement of any other

appropriate legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or duties hereunder.

Upon the written request of the holders of twenty-five per cent. (25%) in principal amount of the Bonds hereby secured and then outstanding, if one or more of the events of default described in Section 8.02 hereof shall have happened and be continuing, it shall be the duty of the Trustee, upon being indemnified as hereinabove provided, to take all needful steps for the protection and enforcement of its rights and the rights of the holders of the Bonds hereby secured, and to exercise the powers of entry or sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the holders of the Bonds hereby secured.

SECTION 8.05. Anything in this Indenture contained to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds hereby secured and then outstanding, from time to time, shall have the right to direct and to control the method and place of conducting any and all proceedings for any sale of the premises hereby conveyed, mortgaged and pledged, *provided, however*, that the Trustee shall not be bound to follow such directions if in its opinion such action would be prejudicial to any other bondholders.

SECTION 8.06. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the trust estate shall be sold in one parcel, and as an entirety, unless the court shall order, or the holders of a majority in principal amount of the Bonds hereby secured then outstanding shall in writing request the Trustee to cause, said premises to be sold in parcels, in which case the sale shall be made in such parcels as may be

specified in such order or request, or unless such sale as an entirety is impracticable by reason of some statute or other cause.

SECTION 8.07. Notice of any such sale pursuant to any provision of this Indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive calendar weeks prior to such sale in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in such other manner as may be required by law.

SECTION 8.08. The Trustee, acting therein, from time to time may adjourn any sale to be made under the provisions of this Indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned.

SECTION 8.09. Upon the completion of any sale or sales under this Indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient bill or bills of sale and deed or deeds of conveyance of the property and franchises sold. The Trustee is hereby appointed the true and lawful attorney of the Company, in its name and stead to make all necessary deeds, bills of sale and conveyances of property thus sold; and for that purpose it may execute all necessary deeds and instruments of assignment and transfer and may substitute one or more persons with like power, the Company hereby ratifying and confirming all that its said attorney shall lawfully do by virtue hereof. Nevertheless, the Company, if so requested by the Trustee, shall join in executing all necessary deeds of conveyance and instruments of assignment and transfer.

Any such sale or sales made under, or by virtue of, this Indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company of, in and to the premises and property sold, and shall be a perpetual bar, both at law and in equity, against the Company, its successors and assigns, and against any and all persons claiming the premises and property sold, or any part thereof, from, through or under the Company, its successors or assigns.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to this Indenture, shall be real estate for all the purposes of this Indenture, and shall be held and taken to be fixtures and appurtenances of the said Company and parts thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

SECTION 8.10. The receipt of the Trustee or other person authorized to receive the same for the purchase money paid at any such sale shall be a sufficient discharge to any purchaser of the property, or any part thereof, sold as aforesaid and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof upon or for any trust or purpose of this Indenture, or, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 8.11. In case of such sale of the mortgaged property substantially as a whole, whether under the power of sale hereby granted, or pursuant to judicial proceedings, the principal of all Bonds hereby secured, if not previously due, immediately thereupon shall become and be due and payable, anything in said Bonds or in this Indenture contained to the contrary notwithstanding.



SECTION 8.12. The purchase money, proceeds and avails of any such sale hereunder, whether under the power of sale herein granted, or pursuant to judicial proceedings, together with any other sums which then may be held by the Trustee under any of the provisions of this Indenture, as part of the trust estate or of the proceeds thereof, shall be applied in the following order:

(1) To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the property hereby conveyed, and to the payment of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other charges subject to which such sale shall have been made.

(2) To the payment of the whole amount then due and unpaid upon the Bonds hereby secured either for principal or installments of interest, or for both, with interest to the extent permitted by law at the rate of six per cent. (6%) per annum on overdue principal and on overdue installments of interest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid for principal and for installments of interest, with interest to the extent permitted by law at the rate of six per cent. (6%) per annum on overdue principal and on overdue installments of interest, then to the payment of such principal and unpaid interest ratably, according to the aggregate of such principal and interest, without preference or priority of any Bond over any other Bond, or of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, subject, however, to the provisions of Section 8.01 hereof.

(3) To the payment of the surplus, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 8.13. In case of any sale hereunder, any purchaser, for the purpose of making settlement or payment for the property purchased shall be entitled to use and apply any Bonds and any matured and unpaid coupons and interest obligations hereby secured, except as otherwise in Section 8.01 hereof provided, by presenting such Bonds and coupons in order that there may be credited, as paid thereon, the sums payable out of the net proceeds of such sale to the holder of such Bonds and coupons, as his ratable share of such net proceeds; and such purchaser shall be credited on account of the purchase price payable by him, with the sums payable out of such net proceeds, as shall be applicable to the payment of, and that shall have been credited upon, the Bonds and coupons so presented; and, at any such sale, any bondholder may bid for, and purchase, such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 8.14. The Company covenants that (1) if default shall be made in the payment of any interest on any Bond secured by this Indenture, and such default shall have continued for sixty days, or (2) if default shall be made in the payment of the principal of any of such Bonds when the same shall become payable, whether at the maturity of said Bonds, or by declaration as authorized by this Indenture, or by a sale of the trust estate as hereinbefore provided, then upon demand of the Trustee the Company agrees to pay to the Trustee for the benefit of the holders of the Bonds and coupons hereby secured, the whole amount then due and payable on such Bonds and coupons for interest or principal, including interest, to the extent permitted by law, on overdue installments of interest and on overdue principal at the rate of six per cent. (6%) per annum from the date such installments of interest and such principal become due and payable, or both, as the case may be until payment or provision for pay-

ment thereof is made; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as the trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, either before, or after, or during the pendency of, any proceedings for the enforcement of the lien of this Indenture upon the trust estate, and the right of the Trustee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy, for the enforcement of the provisions of this Indenture or the foreclosure of the lien thereof; and in case of a sale of the trust estate and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee, in its own name, and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the Bonds hereby secured, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the mortgage debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee, and no levy of any execution by virtue of any such judgment upon property subject to the lien of this Indenture or upon any other property, shall in any manner, or to any extent, affect the lien of this Indenture or of the Trustee upon the trust estate or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the holders of the Bonds hereby secured; but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustee under this Section 8.14 shall be applied by the Trustee, first to the payment of the costs and expenses of the proceedings resulting in the collection of such moneys, and of the expenses paid or incurred by the Trustee, acting herein in theretofore managing and maintaining the trust estate, and then to the payment of the amounts then due and unpaid upon such Bonds for principal and interest, respectively, without any preference or priority of any kind, subject to the provisions of Section 8.01 hereof, and ratably

according to the amounts due and payable upon such Bonds for principal and installments of interest and interest, to the extent permitted by law, on overdue interest and principal at the rate of six per cent. (6%) per annum, respectively, at the date fixed by the Trustee, acting therein, for the distribution of such money upon presentation of the several Bonds and coupons and noting such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 8.15. The Company will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of any stay or extension law now or at any time hereafter in force in any locality where the trust estate, or any part thereof, may or shall be situate, nor will it claim, take, or insist on, any benefit or advantage from any law now or hereafter in force, providing for the valuation or appraisement of the trust estate, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction, nor after any such sale or sales will it claim or exercise any right under any statute enacted by any State or the United States to redeem the property so sold or any part thereof; and the Company hereby expressly waives all benefits and advantages of any such law or laws; and it covenants that it will not hinder, delay, or impede the execution of any power herein granted or delegated to the Trustee, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

SECTION 8.16. If the Company shall make default in any of the respects mentioned in Section 8.02 hereof, and (1) at any time during the continuance of such default there shall be any existing judgment against the Company unsatisfied and unsecured by bond on appeal, or (2) in any judicial proceeding referred to in paragraph (6) of Section 8.02 hereof any court of competent jurisdiction shall have taken under its control, whether through a receiver, trustee or otherwise the property of the Company or a judgment or order be entered for the

sequestration of its property, or (3) in case of default in payment of interest specified in paragraph (1) of said Section 8.02 hereof, the Company shall admit to the Trustee its inability to make good such default within the period of grace in said Section 8.02 mentioned, the Trustee, without waiting the period of grace, if any, in said Section 8.02 specified in respect of such default, shall thereupon be entitled forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided, and as a matter of right the Trustee shall thereupon be entitled (a) to the appointment of a receiver of the trust estate, and of the earnings, income, revenue, rents, issues and profits thereof, with such powers as the court making such appointment shall confer, (b) to the entry of an order directing that the rents, issues, tolls, profits and other income of the premises and property described in or covered by the lien hereof be segregated, sequestered and impounded from and after the date of the institution of any judicial proceeding of the nature referred to in paragraph (6) of Section 8.02 hereof, for the benefit of the Trustee and the bondholders.

The Company hereby irrevocably consents to the appointment of such receiver or the entry of such order, as the case may be.

SECTION 8.17. With the consent of the Trustee, at any time before full payment of the Bonds hereby secured, and whenever the Company shall deem it expedient for the better protection and security of such Bonds, although there be then no default entitling the Trustee to exercise the rights and powers conferred by Section 8.02 hereof, the Company may surrender and deliver to the Trustee full possession of the whole or any part of the trust estate then being in the possession of the Company for any period, fixed or indefinite. Upon such surrender and delivery to the Trustee, the Trustee may enter into and upon the property and premises so rendered and delivered, and may take and receive possession thereof, for such period

fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said property and premises, or of any part thereof, the Trustee entering upon such possession, from the time of entry, may work, maintain, use, manage, control and employ the same in accordance with the provisions of this Indenture and may receive and apply the income and revenues thereof as provided in Section 8.02 hereof. Upon application of the Trustee, and with the consent of the Company, if then there be no continuing default such as is specified in said Section 8.02 hereof, and without such consent, if then there shall be such a continuing default, a receiver may be appointed to take possession of, and to operate, maintain and manage, the whole or any part of the property subject to this Indenture, and the Company shall transfer and deliver to such receiver all such property, wheresoever the same may be situated; and in every case, when a receiver of the whole or any part of said property shall be appointed under this Section 8.17, or otherwise, the net income and profits of such property shall be paid over to, and shall be received by, the Trustee for the benefit of the holders of the Bonds, ratably and without preference or priority of any kind.

SECTION 8.18. No holder of any Bond or coupon shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust thereof, or for relief of the character referred to in paragraph (6) of Section 8.02 hereof, including the appointment of a receiver, or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of such default and of the continuance thereof, as hereinbefore provided, nor unless, also, the holders of twenty-five per cent. (25%) in principal amount of the Bonds hereby secured then outstanding shall have made written request

upon the Trustee and shall have offered to it reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in their own names, nor unless, also, they shall have offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, nor unless, also, the Trustee shall have refused or neglected to act upon such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action, or cause of action, for foreclosure or relief of the character referred to in paragraph (6) of Section 8.02 hereof, including the appointment of a receiver or trustee, or for any other remedy hereunder; it being understood and intended that no one or more holders of Bonds and coupons shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for equal benefit of all holders of such outstanding Bonds and coupons.

All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof on the trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name; and any recovery of judgment shall be for the ratable benefit, subject to the provisions of Section 8.01 of this Article, of the holders of said Bonds and coupons and any other obligations hereby secured.

SECTION 8.19. Except as herein expressly provided to the contrary, no remedy herein conferred upon, or reserved to the Trustee, or to the holders of Bonds or coupons hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall

be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

SECTION 8.20. No delay or omission of the Trustee, or of any holder of Bonds or coupons hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein and every power and remedy given by this Article to the Trustee or to the bondholders, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the bondholders severally and respectively.

SECTION 8.21. Anything in this Indenture to the contrary notwithstanding, in case several series of Bonds be outstanding under this Indenture, and a default shall be made in the payment of the principal of or interest on, or any installment of any sinking fund provided for, the Bonds of any one or more of such series and not in respect of the Bonds of one or more others, then whatever action in this Article it is provided may or shall be taken upon such default (continuing as in this Indenture provided) by or upon the request of the holders of a specified percentage of Bonds outstanding, may be or shall be taken, in respect of the Bonds of the series as to which such default shall have been made, by or upon the request of the holders of such percentage of the outstanding Bonds of the series as to which such default shall have occurred.

SECTION 8.22. The Trustee is hereby irrevocably appointed (and the successive respective holders of Bonds and interest coupons issued hereunder, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Bonds and interest coupons



issued hereunder, with authority to make or file, irrespective of whether the Bonds or any of them are in default as to payment of principal or interest, in the respective names of the holders of the Bonds or interest coupons, or in behalf of all holders of the Bonds or interest coupons as a class, any proof of debt, amendment to proof of debt, petition or other document, to receive payment of any sums becoming distributable on account thereof, and to execute any other papers and documents and to do and perform any and all acts and things for and in behalf of the respective holders of the Bonds or interest coupons, or in behalf of all such holders as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the respective claims of the holders of the Bonds or interest coupons against the Company allowed in any equity receivership, insolvency, liquidation, bankruptcy, debtor reorganization or other proceedings to which the Company shall be a party, and to receive payment of or on account of such claims; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the bondholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the bondholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees, incurred by it up to the date of such distribution.

## **ARTICLE NINE.**

### **Bondholders' Acts, Holdings and Apparent Authority.**

SECTION 9.01. Any demand, request or other instrument required by this Indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholder in person or by agent appointed in writing. Proof of the execution of any such demand, request or other instrument, or of a writing appointing any such agent, and of the ownership by any person of Bonds transferable by delivery, shall

be sufficient for any purpose of this Indenture, and may be received as conclusive by the Trustee if made in accordance with the provisions of this Article.

The fact and date of the execution of any such demand, request or other instrument or writing may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person executing such document had acknowledged the act to such officer, or by an affidavit of a witness to such execution.

The fact of the holding by any person of Bonds transferable by delivery, and the amounts and distinctive numbers and series of such Bonds, and the date of such holding (which holding the Trustee may deem to continue until the Trustee shall have received notice in writing to the contrary), may be proved by a certificate executed by any trust company, bank, banker or other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, setting forth that on the date therein mentioned such person had on deposit with or exhibited to such depositary the Bonds described in such certificate; or such facts may be proved by the certificate or affidavit of such person, if such proof shall be satisfactory to the Trustee.

The fact and date and execution of any demand, request or other instrument, and the amount and numbers and series of Bonds held by the person by or for whom such request or other instrument is executed may also be proved in any other manner which the Trustee may deem sufficient.

The ownership of registered Bonds shall be proved by the registry books of such Bonds, or by a certificate of the registrar thereof.

Any request, consent or vote of the holder or registered owner, as the case may be, of any Bond shall bind all future holders of the same Bond, and of Bonds issued in exchange therefor or in place thereof, in respect of anything done, omitted or suffered by the Trustee in pursuance of such request, consent or vote.

**ARTICLE TEN.****Bondholders' Meetings.**

SECTION 10.01. The Trustee may at any time call a meeting of the bondholders to be affected by the business to be submitted to the meeting and shall from time to time call a meeting of such bondholders on the written request of the Company, made pursuant to a resolution of its Board of Directors, or on the written request signed by bondholders representing at least one-tenth of the principal amount of the Bonds to be affected by the business to be submitted to the meeting outstanding at the time of the request, provided that it shall be furnished at the time of any such request with an amount sufficient to defray the cost of publishing notice of such meeting in accordance with the provisions of Section 10.02 hereof. Every such written request shall set forth the purposes of such meeting in reasonable detail. In the event of the failure of the Trustee for ten days to call a meeting after being thereunto requested as above set forth, the Company pursuant to a resolution of its Board of Directors, or the holders of outstanding Bonds to the amount above specified in this Section 10.01, may call the meeting. In determining the percentage of the principal amount of the affected Bonds outstanding (or of affected Bonds of a particular series outstanding) constituting a quorum or entitling the holders thereof to take any action under this Article, Bonds issued pursuant to to Section 2.05 hereof shall be included but Bonds provision for redemption of which has been made and Bonds owned or held by or for the account of the Company or any subsidiary company or any corporation or person owning, directly or indirectly, a majority of the voting control of the Company shall not be deemed to be outstanding for any purpose of this Article Ten except that any Bond pledged by the Company or by any subsidiary company or by any such corporation or person as security for loans or other obligations otherwise than to another subsidiary company or to another such corporation or person, if the pledgee is entitled and free to

exercise in his discretion, uncontrolled by any subsidiary company or by any such corporation or person, the right to vote such Bond, shall be deemed to be outstanding for all purposes of this Article Ten. Every such meeting of bondholders shall be held in the Borough of Manhattan, City and State of New York.

SECTION 10.02. Notice of every meeting of bondholders, setting forth the purpose of such meeting in reasonable detail, shall be given by publishing the same at least four times in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, the first publication to be not less than thirty and not more than sixty days prior to the date fixed for the meeting.

SECTION 10.03. The Trustee may (for the purpose of enabling the bondholders to be present and vote at any meeting without producing their Bonds, and of enabling them to be present and vote at any such meeting by proxy) make, and may from time to time vary, such regulations as it shall think fit for the deposit of unregistered Bonds with or the exhibition thereof to any bank, banker or trust company or corporation, firm or person, approved by the Trustee, and for the issuance to the persons so depositing or exhibiting the same of certificates by such bank, trust company or corporation, firm or person entitling the persons depositing or exhibiting the same to be present and vote or to appoint proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same way as if the persons so present and voting either personally or by proxy were the actual bearers of the Bonds in respect of which such certificates shall have been issued notwithstanding any transfer of such Bonds subsequent to the issuance of such certificates, and any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. If any such meeting shall

have been called by bondholders or by the Company, respectively, as aforesaid, upon failure of the Trustee to call the same after having been so requested to do under the provisions of Section 10:01 hereof, regulations to like effect for such deposit of Bonds with, or exhibition thereof to, and issue of certificates by, any bank, banker or trust company organized under the laws of the United States of America, or of any State thereof, having a capital of not less than \$50,000, shall be similarly binding and effective for all purposes hereof, if adopted or approved by the bondholders calling such meeting or by the Board of Directors of the Company, if such meeting shall have been called by the Company, provided that in any such case copies of such regulations shall be filed with the Trustee. Owners of fully registered Bonds and coupon Bonds registered as to principal to be affected by the business to be submitted to the meeting may, by proxy duly constituted in writing, appoint any person to vote at any meeting for them. Each such writing shall state the aggregate principal amount of Bonds regarding which the person authorized thereby is entitled to vote. The only persons who shall be recognized at any meeting as entitled to vote in respect of Bonds outstanding hereunder or to be present at the meeting shall be (a) the persons who produce either certificates issued pursuant to regulations made as hereinabove provided (unless the Bonds represented by such certificates shall themselves be produced at the meeting) or unregistered Bonds and (b) the registered holders of Bonds (whether the same be fully registered or registered only as to principal) or (c) the proxies of any of the foregoing appointed as herein or in such regulations provided.

SECTION 10.04. A quorum at any such meeting shall be persons holding or representing by proxy at least 66 $\frac{2}{3}$ % of the aggregate principal amount of Bonds then outstanding to be affected by the business to be submitted to the meeting; but less than a quorum may adjourn the meeting from time to time and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The meeting shall be organ-

ized by the election of a permanent chairman and a secretary. At any meeting, the vote of each bondholder shall be on the basis of the principal amount of Bonds which he shall be entitled to vote, as aforesaid. The chairman of the meeting shall have no right to vote other than by virtue of Bonds held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other bondholders.

SECTION 10.05. Any representative of the Trustee, and its counsel, and any representative of the Company and its counsel, may attend and speak at any such meeting.

SECTION 10.06. A meeting of the bondholders shall have the power, by resolution affirmatively voted for by 66 $\frac{2}{3}$ % of the principal amount of the Bonds then outstanding to be affected by the business to be submitted to the meeting, to authorize the Trustee to join with the Company in making any modification in or addition to any provision of this Indenture or any supplement hereto or, except as hereinafter provided, any modification of the rights and obligations of the Company or the rights of the holders of the affected Bonds of all or any series and appurtenant coupons under this Indenture or any supplement hereto, including the creation by the Company of a mortgage or other lien in the nature of a mortgage ranking prior to, or on a parity with the lien of this Indenture, or to release from the lien of this Indenture any property subject thereto, with or without compliance with the provisions of Article Seven hereof, *provided, however*, (1) that no modification of or addition to the provisions of this Indenture or any supplement hereto shall be effective until approved by resolution of the Board of Directors of the Company; (2) that no modification of or addition to the provisions of this Indenture or any supplement hereto which, in the opinion of the Trustee, shall affect the rights, duties or immunities of the Trustee under this Indenture or any supplement hereto may be made without its written consent; and

(3) the bondholders shall have no power (i) to extend the maturity of any Bond or reduce the rate or extend the time of payment of interest thereon or otherwise modify the terms of payment of the principal thereof (other than a modification of the provisions of any sinking fund established in respect of any affected Bonds issued under the Indenture), or interest thereon, except with the consent of the holder of such Bond; or (ii) except with the consent of all the holders of outstanding Bonds, effect a reduction of the percentage required by this Section for any action authorized to be taken by the holders of Bonds.

In case more than one series of Bonds shall be outstanding under this Indenture and any business to be submitted to such meeting shall affect the rights of the holders of the Bonds of one or more series and shall not affect the rights of the holders of the Bonds of one or more of the other series, then the holders of the Bonds of the one or more series whose rights are not affected shall not be entitled to notice of, or to attend or vote at, any such meeting or to be counted for the purpose of a quorum. In case the rights appertaining to a particular series are to be affected to a greater extent or in a different manner than the rights appertaining to any other series, the affirmative vote of 66⅔% of the principal amount of the Bonds of such series shall be required. In case the business to be submitted to such meeting shall affect to the same extent or in the same manner the holders of all Bonds then outstanding hereunder or shall involve the modification of any terms or provisions of this Indenture, or of any supplement hereto, applicable to the same extent or in the same manner to the Bonds of all series then outstanding, the affirmative vote of 66⅔% of the principal amount of the Bonds of all series then outstanding shall be required to effect such modification, but such vote need not include 66⅔% of the principal amount of each series.

Any modification of the provisions of any sinking fund established in respect of a particular series shall be deemed to affect only the Bonds of that series. The determination of the Trustee as to which series of

Bonds are to be affected shall be conclusive. The Trustee shall not incur any liability to any one for any such determination made in good faith.

SECTION 10.07. Any such resolution so passed at a meeting of the bondholders duly convened and held shall be effective to bind all bondholders, whether or not voting in person or by proxy at such meeting, and all Bonds at any time issued under this Indenture are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted at a meeting of the bondholders shall be final and conclusive upon all holders of Bonds and upon their successors and assigns.

SECTION 10.08. The vote upon any resolution shall be by ballot and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of the bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 10.02 hereof. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one duplicate copy shall be delivered to the Company and another to the Trustee to be preserved by the Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and if the record shall also be signed and verified by the affidavit of a duly authorized representative of the Trustee, the meeting shall be deemed conclusively to have been duly convened and held, and any resolution or proceeding stated in the



record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 10.09. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Trustee as to any action taken at meetings of bondholders theretofore held, and upon the demand of the holder of any Bond outstanding at the date of any bondholders' meeting and presentation of his Bond for the purpose, the Company shall cause suitable notation approved by the Trustee to be made on the Bond by endorsement or otherwise as to any action taken at any meeting of bondholders theretofore held. If the Company or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Company, to any bondholders' resolution shall be prepared by the Company, authenticated by the Trustee and delivered without cost to the holders of Bonds of the same series upon surrender of such Bonds with all unmatured coupons and all matured coupons not fully paid of the same aggregate principal amounts. The Company or the Trustee may require the Bonds outstanding (including all Bonds pledged by the Company and all Bonds held by or for the Company) to be presented for notation or exchange as aforesaid if it shall see fit to do so. Indentures supplemental to this Indenture embodying any modification of or addition to the provisions of this Indenture or in the rights and obligations of the Company or in the rights of the holders or registered owners of the Bonds and appurtenant coupons made at any bondholders' meeting and approved by resolution of the Board of Directors of the Company as aforesaid may be executed by the Trustee and the Company, and upon demand of the Trustee, or if so specified in any resolution adopted at any bondholders' meeting, shall be executed by the Company and the Trustee.

SECTION 10.10. Nothing in this Article shall be deemed to limit or restrict the provisions of Article Eleven of this Indenture.

**ARTICLE ELEVEN.****Supplemental Indentures.**

**SECTION 11.01.** The Company, when authorized by resolutions of its Board of Directors, and the Trustee, from time to time and at any time, may enter into an indenture or indentures supplemental hereto which thereafter shall form a part hereof, for one or more of the following purposes:

(1) Subject to the limitations and upon the conditions herein provided, to convey, transfer and assign to the Trustee and to subject to the lien of this Indenture, with the same force and effect as though included in the Granting Clauses hereof, additional property then owned by the Company, acquired through consolidation, merger, purchase or otherwise;

(2) To evidence the succession of another corporation to the Company, or successive successions and assumptions by a successor corporation of the covenants and obligations of the Company, under this Indenture;

(3) To add to the covenants of the Company such further covenants as its Board of Directors and the Trustee shall consider to be for the protection of the mortgaged property and of the holders of Bonds issued or issuable under this Indenture, and to make the occurrence and continuance of a default in any of such additional covenants an event of default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth, upon such terms as may be set forth in such supplemental indenture;

(4) To establish the terms, provisions and conditions of a particular series of bonds, as determined by the Board of Directors of the Company and within the limitations herein expressed;

(5) To make any modifications herein or in the form of any Bonds or coupons which may be required by law;

(6) To provide additional or other restrictions and limitations upon the issue of Bonds, or additional covenants and undertakings of the Company with respect thereto;

(7) For any other purpose not inconsistent with the terms of this Indenture, or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provision contained herein or in any supplemental indenture.

SECTION 11.02. The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained, not inconsistent with the terms of this Indenture and to accept the conveyance, transfer and assignment of any property thereunder.

## **ARTICLE TWELVE.**

### **Immunity of Stockholders, Officers and Directors.**

SECTION 12.01. No recourse under or upon any obligation, covenant, guaranty or agreement contained in this Indenture or in any indenture supplemental hereto or in any Bond or because of the creation of any indebtedness secured by this Indenture shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, or of any successor corporation, either directly or through the Company, or any other person, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that any and all personal liability of every name and nature and any and all rights and claims against each and every incorporator, stockholder, officer or director, as such, of the Company, past, present or future, arising under or by reason of the Bonds or this Indenture, whether

arising at common law or in equity or created by statute or constitution, are hereby expressly waived and released as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds.

### **ARTICLE THIRTEEN.**

#### **Possession Until Default—Defeasance Clause.**

SECTION 13.01. Unless and until (1) a receiver or a trustee shall have entered into possession of the trust estate or part thereof; (2) the Trustee shall have entered into possession of the trust estate or part thereof under the powers in this Indenture granted; or (3) some one of the events of default enumerated in Section 8.02 hereof shall have happened and be continuing-- and such event of default shall have continued for the period, if any, therein specified in respect thereof--the Company, its successors, and assigns, shall be suffered and permitted to retain actual possession of all of the trust estate (except stocks, bonds, obligations, cash and other property, if any, pledged or assigned or to be pledged or assigned hereunder with the Trustee) and to manage, operate and use the same and every part thereof with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the rents, earnings, income, issues and profits thereof.

SECTION 13.02. If (a) when all of the Bonds hereby secured shall have become due and payable, the Company shall have paid or caused to be paid the whole amount of the principal and premium, if any, and interest due upon all the Bonds, or shall have deposited with the Trustee as trust funds, for the payment of any and all of the Bonds and coupons, the entire amount then due thereon for principal and premium, if any, and interest, or shall deliver to the Trustee for cancellation all Bonds and coupons issued hereunder and not theretofore cancelled, or (b) prior to all the Bonds having become due and payable, the Company shall deposit with the Trustee as trust funds an amount

sufficient to pay at maturity or redeem all Bonds, and, in case the Bonds are to be redeemed, shall furnish proof satisfactory to the Trustee that notice of redemption of all Bonds has been given as provided in Article Three hereof, or shall make arrangements satisfactory to the Trustee that such notice will be so given—and if in either of such events the Company also shall pay or shall cause to be paid all other sums payable hereunder by the Company and shall do all things herein required to be done by it according to the true intent and meaning of this Indenture—then and in either such case all property, rights and interests hereby conveyed, assigned or pledged shall revert to the Company, and the estate, right, title and interest of the Trustee shall thereupon cease and determine and become void; and the Trustee in either such case, on written demand and at the cost and expense of the Company shall enter satisfaction of this Indenture upon the records, and shall assign and transfer or cause to be assigned and transferred, and shall deliver or cause to be delivered to the Company, all moneys (other than moneys deposited with the Trustee under this Section 13.02 or previously deposited for the payment of principal, premium, coupons or claims for interest) and all personal and other property then held by the Trustee hereunder; otherwise the same shall be continued and remain in full force and effect. Any moneys deposited with the Trustee under this Section 13.02 shall be held by the Trustee as a trust deposit subject to the provisions of Section 15.02 hereof and be applied by it to the payment of the Bonds issued hereunder and secured hereby, interest thereon and the coupons appertaining thereto in respect of which such moneys shall have been deposited. In no event shall the holders of such Bonds or coupons appertaining thereto be entitled to interest upon such moneys.

All Bonds, together with the appurtenant coupons, paid hereunder, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company and to the Bond registrar. The cancelled registered Bonds shall be returned to the Bond registrar.

**ARTICLE FOURTEEN.****Consolidation, Merger, Conveyance and Lease.**

SECTION 14.01. Nothing contained in this Indenture or in any Bond issued or to be issued hereunder shall prevent any consolidation or merger of the Company with or into any other corporation lawfully entitled to acquire and operate the trust estate, or any conveyance or lease of the trust estate as a whole or substantially as a whole to any other such corporation or the merger into the Company or the acquisition by the Company or lease to the Company of the property as a whole or substantially as a whole of any other such corporation, or shall prevent successive similar consolidations, mergers, conveyances, acquisitions or leases to which the Company or any successor shall be a party; *provided*, that every such consolidation, merger, conveyance, acquisition or lease shall be upon such terms as shall fully preserve and in no respect impair the lien and security of this Indenture or any of the rights and powers of the Trustee or of the bondholders hereunder; and *provided*, that any such lease to another corporation shall be made expressly subject to immediate termination at the election of the purchaser at any foreclosure sale of the property subject to such lease and by the Trustee at any time upon the happening of an event of default as defined in Section 8.02 hereof, or upon any sale of the property so leased under the power of sale herein conferred or pursuant to judicial proceedings; and *provided*, that immediately upon any such consolidation, merger or conveyance, as a result of which there shall be a successor corporation to the Company, the due and punctual payment of the principal and interest of all Bonds issued and to be issued hereunder according to their tenor and purport and the due and punctual performance and observance of all of the covenants, terms and conditions of this Indenture and of any and all indentures supplemental hereto, to be kept, observed and performed by the Company shall, by an indenture supplemental hereto, executed and delivered to

the Trustee, be expressly assumed by the successor corporation formed by or resulting from any such merger or consolidation, or to which any such conveyance shall have been made.

SECTION 14.02. In the absence of an express grant by the successor corporation or by the Company, as the case may be, this Indenture shall not by reason of any such consolidation, merger, conveyance or acquisition or otherwise, constitute or become a lien upon, and the term "trust estate" as used herein shall not include or comprise (except to the extent otherwise provided in Granting Clause 12 hereof):

(1) Any property or franchise owned prior to such consolidation, merger, conveyance or acquisition by any corporation with or into which the Company, or any successor corporation, may be consolidated or merged or which may be merged into the Company, or to which the Company, or any successor corporation may make any such conveyance, or any property which may theretofore have been acquired by the Company, or any successor corporation, and which prior to such consolidation, merger, conveyance or acquisition was not subject to the lien of this Indenture; or

(2) Any property or franchise which may be purchased, constructed or otherwise acquired by the successor corporation of the Company, after the date of any such consolidation, merger, conveyance or acquisition; excepting, only the betterments, extensions, improvements, additions, repairs, renewals, replacements, substitutions, alterations, property and franchises mentioned and referred to in clauses (a) and (b) hereinafter contained in this Section 14.03, all of which, as and when purchased, constructed or otherwise acquired by such successor corporation, shall be and become subject to the lien and operation of this Indenture, notwithstanding any such consolidation, merger, conveyance or acquisition.

In order to confirm of record the lien of this Indenture and to preserve and protect the rights of the bondholders hereunder, the sup-

plemental indenture or indentures provided for in Section 14.01 hereof, if it does not contain an express grant by the successor corporation, as further security for all Bonds issued and to be issued hereunder, of all its property and franchises then owned and which it may thereafter acquire, shall contain:

(a) A grant by such successor corporation confirming the prior lien of this Indenture upon the trust estate and subjecting to the lien and operation hereof as a first lien, or as a lien subject to liens affecting the property and franchises of the Company prior to such consolidation, merger, or conveyance: (1) all property acquired either with cash at any time then or thereafter held hereunder by the Trustee or in exchange for property released from the lien hereof or the acquisition or construction of which has been or shall be made the basis of the withdrawal of cash or the issuance of Bonds hereunder; (2) all betterments, extensions, improvements and additions of, to, upon and for the property, rights and franchises subject to the lien hereof; (3) all repairs, renewals, replacements, substitutions and alterations of, to, upon and for such property, rights and franchises; (4) all property, rights and franchises which may be purchased, constructed or otherwise acquired pursuant to any covenant herein contained by such successor corporation from and after the date of such consolidation, merger or conveyance, as the case may be; (5) all lines of railroad then owned or thereafter acquired by such successor corporation or lessee which shall be used in substitution for or will divert traffic from any line of railroad subject to the lien of this Indenture and the appurtenances of such line; and

(b) A covenant on the part of such successor corporation that all property and franchises thereafter acquired by it and necessary to the full and complete performance of any covenant herein contained relating to the maintenance and upkeep of the trust estate, to the making of all needful and proper renewals, replacements, substitutions and alterations, and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof, and of any other cove-



nant herein, shall be conclusively deemed and taken to be acquired by it in performance of such covenant and to have become subject to the prior lien of this Indenture; and

(c) A covenant by such successor corporation to keep the trust estate as far as practicable readily identifiable; and a stipulation that the Trustee shall not be taken impliedly to waive, by accepting or joining in the supplemental indenture, any rights it would otherwise have.

SECTION 14.03. In case the Company, or any successor corporation, shall be merged into or consolidated with, or shall make a conveyance to, any other corporation, as permitted and upon the terms provided in Section 14.01, the corporation formed by or resulting from such merger or consolidation or to which such conveyance shall have been made, as aforesaid—upon executing and delivering to the Trustee, and causing to be recorded, the supplemental indenture provided for in Section 14.01 hereof—shall succeed to and be substituted for the Company with the same force and effect as if it had been named in, and had executed, this Indenture, as the party of the first part hereto, and shall have and possess and may exercise, subject to the terms and conditions of this Indenture and of any indentures supplemental hereto, each and every power, authority and right herein reserved to or conferred upon the Company. Thereupon any such successor corporation to the Company may cause to be signed and may issue, either in its own name or in the name of the Company, and under the corporate seal of either the Company or the successor corporation, any and all Bonds which shall not theretofore have been signed by the Company and delivered to the Trustee; and the Trustee, upon the order of such successor corporation, in lieu of the Company, and subject to all the terms, conditions and limitations in this Indenture and in any and all indentures supplemental hereto prescribed, shall authenticate any and all Bonds which shall have previously been signed and delivered by the Company to the Trustee for authentication, and any Bonds which such successor corporation shall thereafter cause to be signed and delivered

to the Trustee for such purpose, and deliver the same to such successor corporation or upon its order. In case of a lease, no novation shall result and the Company shall remain liable on all its covenants and obligations contained in this Indenture and all supplemental indentures and in the Bonds.

SECTION 14.04. All Bonds issued by any such successor corporation shall in all respects have the same legal rank and security as the Bonds theretofore or thereafter issued in accordance with the terms of this Indenture as though all of said Bonds had been actually issued at the date of the execution hereof. In case of any such merger, consolidation or conveyance, such changes in phraseology and form (but not in substance) may be made in the Bonds and coupons thereafter to be issued, as consequent upon such merger, consolidation or conveyance may be appropriate.

SECTION 14.05. For every purpose of this Indenture, including the execution, issue and use of any and all Bonds issued or issuable hereunder, the term "Company" includes and means not only the party of the first part, but also any successor corporation to it upon compliance with the provisions of this Article. Any act or proceeding by any provision of this Indenture authorized, required or permitted to be done or performed by the stockholders or by any board or officer of the Company, shall and may be done and performed, with like force and effect, by the stockholders or by the like board or officer of a successor corporation.

SECTION 14.06. Every supplemental indenture provided for in this Article shall be in form approved in and by an opinion of counsel and the Trustee may accept the opinion of such counsel that the provisions and conditions of this Article have been complied with, as conclusive evidence thereof.

SECTION 14.07. The Company covenants and agrees that no consolidation or merger, nor any conveyance or lease of the trust estate

as a whole or substantially as a whole, to which the Company or any successor corporation, shall be a party, shall be made or effected unless the terms, covenants and conditions contained in this Article shall have been complied with and observed by the Company or the successor corporation, as the case may be.

## **ARTICLE FIFTEEN.**

### **Miscellaneous Provisions.**

SECTION 15.01. Any moneys received by the Trustee or any paying agent under any provision of this Indenture shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received, until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Trustee or paying agent. Neither the Trustee nor any paying agent shall be under any liability for interest on any such moneys except such as during the period held may be agreed upon with the Company.

The Company shall also have the right, unless an event of default shall have occurred and be continuing, by written request to the Trustee to require that any moneys deposited with or held by the Trustee under any provision of this Indenture (other than moneys deposited with, or paid to, the Trustee under the provisions of Article Thirteen hereof or moneys held for the purchase, redemption or payment of particular Bonds) shall be invested or reinvested by the Trustee in any direct obligations of the United States of America designated by the Company and maturing not more than five years after the date of such designation, and, unless an event of default shall have occurred and be continuing, any interest on such bonds or other obligations which may be received by the Trustee shall be forthwith paid to the Company. Such bonds and obligations shall be held by the Trustee as a part of the mortgaged and pledged property and subject to the same provisions hereof as the cash used to purchase the same, but upon a like request

of the Company, the Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the bonds, or other obligations so sold. If such sale shall produce a net sum less than the cost of the bonds or other obligations so sold, exclusive in each case of accrued interest, if any, the Company covenants that it will pay promptly to the Trustee such amount of cash as with the net proceeds from such sale will equal the cost of the bonds or other obligations so sold, and if such sale shall produce a net sum greater than the cost of the bonds or obligations so sold, the Trustee shall promptly pay to the Company an amount in cash equal to such excess. The Trustee shall not have any responsibility whether to the Company or the bondholders or otherwise for any depreciation in the value of any such bonds, or other obligations purchased as aforesaid.

In connection with the satisfaction and discharge of this Indenture all moneys then held by any paying agent under the provisions of this Indenture shall, upon demand of the Company, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

SECTION 15.02. Any moneys held by the Trustee or by any paying agent remaining unclaimed for six (6) years after the date when such moneys were payable, shall, at the written request of the Company signed by its President or a Vice President, be repaid by such Trustee or paying agent to the Company, and thereafter, anything in this Indenture to the contrary notwithstanding, any rights of the holders of such Bonds and coupons in respect of which such moneys shall have been deposited shall be enforceable only against the Company as a general claim; *provided, however*, that before being required to make any such payment to the Company, such Trustee or paying agent shall, at the expense of the Company, cause to be published once during each of two successive calendar weeks, in each case on any day of the week, in one newspaper printed in the English language and customarily

published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, notice that said moneys remain unclaimed and that, after the date named in said notice, which date shall be not less than fifteen days after the date of the first publication of such notice, the balance of such moneys then unclaimed shall be returned to the Company.

SECTION 15.03. In any case where the date of maturity of interest or principal or the date of redemption of any Bond shall be a Saturday or Sunday or shall be a legal holiday at the place where payment thereof is to be made, or shall be a date on which banking organizations at the place where such payment is to be made are authorized by law to close, then payment of such interest, principal and premium, if any, may be made on the next succeeding business day with the same force and effect as if made on the nominal date of maturity or redemption, and no interest shall accrue for the period after such nominal date.

SECTION 15.04. As used in this Indenture, except when otherwise indicated, the word "Trustee," or any other equivalent term, shall be held and construed to mean United States Trust Company of New York or its successor for the time being in the trusts herein accepted by that corporation. The words "paying agent" shall be held and construed to mean any corporation, partnership or other person appointed by the Company to pay the principal of and interest upon the Bonds and any successor appointed by the Company for such purpose. The words "Bonds," "bondholder" and "holder" shall include the plural as well as the singular number.

Unless otherwise herein expressly defined or qualified, the term "outstanding" when used with reference to Bonds shall mean all Bonds authenticated and delivered under this Indenture except (a) Bonds pledged by the Company, (b) Bonds paid, redeemed, cancelled, delivered to the Trustee for cancellation or retired or with respect to which provision for payment, redemption, cancellation or retirement has been made, and (c) Bonds held by or for the Company.

The terms "this Indenture" or "Indenture" shall mean this Indenture, either as originally executed or as the same may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to any of the provisions hereof.

Whenever in this Indenture a resolution of the Board of Directors of the Company is required, the Company shall deliver to the Trustee a writing setting forth a copy of such resolution, having appended thereto a certificate signed by its Secretary or an Assistant Secretary under its corporate seal, setting forth that such resolution was duly adopted. Every order, request, demand or other instrument of the Company required to be delivered to the Trustee preliminary to any action authorized to be taken by it thereon shall (unless otherwise permitted by this Indenture) be in writing and signed by its President or a Vice President and by its Secretary or an Assistant Secretary or its Treasurer or an Assistant Treasurer.

Whenever reference is made herein to an opinion of counsel such reference means a written opinion of counsel, who may be counsel for the Company, satisfactory to the Trustee.

Nothing in this Indenture express or implied is intended or shall be construed to give to any person or corporation other than the parties hereto and the holders of the Bonds secured by this Indenture, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision herein contained; all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto and of the holders of the Bonds hereby secured.

United States Trust Company of New York, party of the second part hereto, hereby accepts the trusts in this Indenture declared and provided and agrees to perform the same upon the terms and conditions herein set forth.

For the purpose of facilitating the recording of this Indenture, the same may be executed simultaneously in any number of counter-

parts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

This Indenture is dated, for convenience, January 1, 1950, although executed and delivered on the date of the acknowledgment hereof by the Trustee; and the same shall be effective from the date on which it is so executed and delivered.

IN WITNESS WHEREOF, The parties hereto have caused their respective corporate seals to be hereunto affixed, and attested by their respective Secretaries or Assistant Secretaries, and this instrument to be signed by their respective Presidents, Vice Presidents, or Assistant Vice Presidents, as of the day and year first herein written.

PEORIA AND PEKIN UNION RAILWAY COMPANY,

(SEAL)

By J. T. O'DEA

*President.*

Attest:

C. LEBER

*Secretary.*

UNITED STATES TRUST COMPANY OF NEW YORK,

(SEAL)

By H. L. SMITHERS

*Asst. Vice President.*

Attest:

A. A. FRAZER

*Asst. Secretary.*

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

On the 17th day of January, 1950, before me personally appeared J. T. O'DEA, to me known, who being by me duly sworn, did depose and say that he resides at 129 West Forest Hill, Peoria, Illinois; that he is the President of PEORIA AND PEKIN UNION RAILWAY COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

My commission expires March 30, 1950.

JOSEPH E. PARISI  
*Notary Public.*

JOSEPH E. PARISI  
Notary Public, State of New York  
Residing in Kings County  
Kings Co. Clk's No. 228, Reg. No. 235-P-0  
N. Y. Co. Clk's No. 522, Reg. No. 314-P-0  
Commission Expires March 30, 1950

(NOTARIAL SEAL)



STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

On the 17th day of January, 1950, before me personally appeared H. L. SMITHERS, to me known, who being by me duly sworn, did depose and say that he resides at 74 Durand Road, Maplewood, New Jersey; that he is an Assistant Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that it was so affixed by order of the Board of Trustees of said corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

My commission expires March 30, 1950.

BARTH E. ROCKETT  
*Notary Public.*

BARTH E. ROCKETT  
Notary Public, State of New York  
Residing in Queens County  
Queens Co. Clk's No. 20-40, Reg. No. 89-R-0  
N. Y. Co. Clk's No. 513, Reg. No. 138-R-0  
Commission Expires March 30, 1950

(NOTARIAL SEAL)

**RECORDING DATA.**

Counterpart No. 3 of the Mortgage was recorded in Book No. 804, Page 512 in the office of the Recorder of Deeds of Peoria County, Illinois, on January 20, 1950 (filed at 3:40 P. M.).

Counterpart No. 2 of the Mortgage was recorded in Book No. 374, Page 17 in the office of the Recorder of Deeds of Tazewell County, Illinois, on January 23, 1950 (filed at 9:06 A. M.).

The Satisfaction and Release of the First Mortgage dated August 1, 1924, of Peoria and Pekin Union Railway Company was recorded in Book No. 804, Page 567 in the office of the Recorder of Deeds of Peoria County, Illinois, on January 20, 1950 (filed at 3:41 P. M.).

The said Satisfaction and Release was recorded in Book No. 374, Page 74 in the office of the Recorder of Deeds of Tazewell County, Illinois, on January 23, 1950 (filed at 9:05 A. M.).